

PART TWO – EVALUATION AGAINST CIPFA/SOLACE FRAMEWORK

General Requirements

CIPFA/SOLACE Suggested Arrangements	Medway's Current Position	Evidence	Good Enough?	Recommendations
Establishment of a locally adopted code of corporate governance and making adopted practice open and explicit	<p>The CIPFA/SOLACE framework for Corporate Governance was adopted by Full Council on 4 December 2003</p> <p>It has been incorporated into Medway's Constitution, which is accessible on Connections and Medway's Website.</p>	<p>Minutes of Full Council Meeting</p> <p>Publication of code in Constitution</p>	Yes	None
<p>Assignment of responsibility to a senior officer for:</p> <p>a) monitoring the operation of the code</p> <p>b) reporting annually to the relevant committee on compliance with the code and any changes that may be necessary to maintain it and ensure its effectiveness in practice.</p>	<p>a) The Director of Finance and Corporate Services, supported by the Audit Services Manager, has responsibility.</p> <p>b) The Assistant Director Legal and Contract Services reports the results of the monitoring to the Standards Committee annually.</p>	<p>Audit report 03008 (for the year 2003/2004).</p> <p>Audit Sub Committee report 30 Sept 04</p> <p>Standards Committee meeting papers 29 July 04</p>	Yes	None

The Framework

Note: The wording in the shaded columns is taken from the CIPFA/SOLACE framework and guidance

Dimension 1: Community Focus.

LAs should (a) work for and with their communities, (b) exercise leadership, (c) undertake ambassadorial role, (d) be accountable to stakeholders, (e) show integrity in their dealings, (f) communicate and engage.

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Accountability	Accountability to stakeholders for the council's performance	Publish on a timely basis an annual report or performance plan presenting an objective, understandable account of this council's: <ul style="list-style-type: none"> - activities and achievements - current performance in service delivery - plans to maintain and improve service quality - financial position and performance. 	1.1	Medway's 2004/2005 Performance Plan, published June 2004 meets all statutory requirements and has been approved by the external auditor. It includes an unaudited financial summary for 2003/2004. The second Community Plan published in conjunction with the council's strategic partners, covers the period 2004-2007.	Performance Plan 2004/2005 Community Plan 2004-2007 Medway's Internet website	Yes	None
		Include in these statements <ul style="list-style-type: none"> - explanation of the council's responsibility for the financial statements, - confirmation of compliance with the relative standards and codes of corporate governance, and - a report on the effectiveness of the authority's system for risk management and internal control. 	1.2	Medway's 2003/2004 financial statements included explanation of the council's responsibility, and a Statement on Internal Control. The latter covered compliance with standards and codes, and a report on the authority's system for risk management and internal control.	Statement of Accounts 2003/2004 including Statement of Internal Control Council minutes 15 July 2004	Yes	None
Effectiveness	Effectiveness in the delivery of services and sustainable use of resources	Independent review of the financial and operational reporting processes.	1.3	The authority is subject to Internal and External Audit and Inspectorate reviews. A Scrutiny Committee function is in place.	Audit, Inspectorate and committee reports.	Yes	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Effectiveness (Cont)	Effectiveness in the delivery of services and sustainable use of resources (Cont)	<p>Monitoring processes to ensure that:</p> <ul style="list-style-type: none"> - channels of communication with all sections of the community and stakeholders - arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the authority operate effectively. 	1.4	<p>The Chief Executive's Research and Review Team manages the authority's consultation procedures and chairs a council-wide Research and Consultation Group.</p> <p>During 2004/2005 work has progressed on standardising and improving Medway's consultation procedures by means of:</p> <ul style="list-style-type: none"> - upgrading the search facilities on the consultation database - publishing a new quarterly bulletin on the Intranet for the purpose of sharing research information <p>Plans are currently being drawn up for the development of consultation guidance for managers, the use of electronic papers, automated updating of the database, and a new consultation website on the Intranet.</p>	Strategy paper "Listening to Medway".	Yes	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Integrity	Integrity in building effective relationships and partnerships with other public agencies and the private/voluntary sector	Establish clear channels of communication with all sections of the community and stakeholders	1.5	<p>The authority has a proactive communications unit headed by an Assistant Director. Channels of communication include:</p> <ul style="list-style-type: none"> - Citizens Panel - Corporate Focus Groups - Residents Opinion Poll (annual) - Internet website - Ethnic Minority Forum - Medway Matters (6 weekly newspaper delivered to all Medway households) - Press releases to local newspapers - Voluntary Sector User Forums - Local Strategic Partnership and Community Plan - Youth Parliament 	Records of consultations, publications and press releases	Yes	None
Openness	Openness in all dealings	Make an explicit commitment to openness in all dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.	1.6	<p>The wording of Medway Council's Constitution demonstrates commitment to openness:</p> <p><i>Medway Council has agreed a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, <u>transparent</u> and accountable to local people.</i></p>	Constitution	Yes	None
		By action and communications, deliver an account against that commitment.	1.7	<p>Publication on the website and by other means, of plans, projects, committee meeting dates, agendas, reports and decisions, are among the council's methods of delivering an account against their commitment to openness.</p>	Website	Yes	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Inclusivity	Inclusivity by communicating and engaging with all sections of the community to encourage active participation	Arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the authority.	1.8	See 1.5.	See 1.5	Yes	None
Up to Date	An up to date clear vision and corporate strategy in response to community needs	A vision for local communities and their strategic plans, priorities and targets - developed through robust mechanisms, and in consultation with the local community and other stakeholders.	1.9	The Medway Local Strategic Partnership has produced its second Community Plan which sets out the long term vision and the main issues and targets for 2004-2007.	Community Plan	Yes	None
		Clear articulation and dissemination of the above.	1.10	Disseminated through the communication channels described in 1.5.	As aside	Yes	None

Dimension 2: Service Delivery Arrangements

LAs should (a) ensure continuous improvement, (b) implement agreed policies, (c) carry out decisions.

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Accountability	Discharge of accountability for service delivery at a local level	Standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies	2.1	<p>A range of performance indicators has been set for each of the council's 6 core values, one of which is "Working for Equal Opportunity".</p> <p>The culture of the authority encourages Individual services to adopt or draw up their own specific standards.</p> <p>Further standards have been set by the Equal Opportunities Policy.</p> <p>There is a Customer Care Charter which informs the public of certain standards e.g. for answering letters and telephone calls.</p> <p>The Planning Concordat sets out the principles by which the planning system should operate.</p> <p>Medway's Competency and Leadership Frameworks help to illustrate what the council expects of its staff.</p>	<p>Core Values and PIs published in the Performance Plan</p> <p>Service specific standards</p> <p>Equal Opportunities Policy</p> <p>Customer Care Charter</p> <p>Planning Concordat</p> <p>Competency and Leadership Frameworks</p>	Yes	None
Effectiveness	Ensuring effectiveness through setting targets and measuring performance	Development of comprehensive and understandable performance plans	2.2	<p>The content of Medway's 2004-2005 Performance Plan was reviewed by Cabinet.</p>	<p>Cabinet decision 8 June 2004</p>	Yes	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Effectiveness (cont)	Ensuring effectiveness through setting targets and measuring performance (cont)	Sound systems for providing management information for performance measurement purposes	2.3	Systems for providing the information for the PIs exist and are regularly reviewed by auditors.	Internal audit work on performance management and performance indicator systems during 2003/2004	Yes.	None
		Monitoring and reporting of performance against agreed standards and targets	2.4	Key performance indicators (Critical Success Factors) relative to Medway's Performance and Community Plans have been identified. They are monitored and reported to Management Team, relevant committees and Cabinet. Service reviews Scrutiny reviews are undertaken by Overview and Scrutiny Committee sub groups.	Reports to Management Team and Cabinet	Yes.	None
		Positive response to the findings and recommendations of auditors and statutory inspectors and effective implementation of agreed actions	2.5	Audit and inspection recommendations are reported to and monitored by members.	O&S Coordinating and Audit Sub Committee reports.	Yes	None
Integrity	Integrity in dealings with service users and developing partnerships to ensure the "right" provision of services locally	Allocation of resources according to priorities	2.6	Service plans are submitted together with draft capital and revenue budgets, to Cabinet and the relevant Overview and Scrutiny Committees. Budget consultation with the Chamber of Commerce and the business community is a legal requirement.	Cabinet and O&S Committee papers relating to 2005/2006 business plans and budgets.	Yes	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Integrity (Cont)	Integrity in dealings with service users and developing partnerships to ensure the "right" provision of services locally (Cont)	Effective relationships and partnerships with other public sector agencies and the private and voluntary sectors	2.7	The council has formed a Local Strategic Partnership (formerly called "More to Medway"). Participating organisations include the Medway NHS Primary Care Trust, Kent County Constabulary, SEEDA, GOSE, the Community and Voluntary Sector Forum, Medway Ethnic Minority Forum, the Learning and Skills council.	Community Plan 2004-2007	Yes	None
Openness	Demonstration of openness	Consideration of outsourcing where it is efficient and effective to do so in delivering services to meet the needs of the local community	2.8	Consideration of outsourcing is part of any service review.	BVR Guide BV reports	Yes	None
Inclusivity	Demonstration of openness	Consultation with key stakeholders, including service users	2.9	Demonstrated through partnerships and direct consultations with the public (see 1.4, 1.5).	See 1.4, 1.5	Yes	None
Up to Date	Demonstration of inclusivity	Consultation with key stakeholders, including service users	2.10	See 2.9	See 2.9	Yes	None
	Flexibility	Updating of service delivery arrangements Adaptation to accommodate change and meet user wishes	2.11	Local managers are responsible for ensuring services adapt to needs and reflect the outcomes of BVRs. The annual service planning process ensures regular review takes place.	Flexibility is evidenced by frequent organisational changes.	Yes	None

Dimension 3: Structures and Processes.

LAs should establish effective political and managerial structures and processes to govern decision making and exercise of authority within the council.

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Accountability	Definition of the roles and responsibilities of members and officers to ensure accountability, clarity and ordering of the authority's business	Regular formal meetings of members to set the strategic direction of the authority and monitor service delivery	3.1	In place	Constitution Meeting schedules and minutes on Internet	Yes	None
		Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority	3.2	In place	Constitution Chapter 3	Yes	None
		Members' roles and responsibilities - clearly documented and understood management processes for: - policy development, implementation and review - decision making - monitoring and control reporting	3.3	In place	Constitution Articles and Rules	Yes	None
		Formal procedural and financial regulations to govern the conduct of the authority's business	3.4	In place	Constitution Articles and Rules	Yes	None
		Access for members to all relevant information, advice and resource as necessary to enable them to carry out their roles effectively	3.5	In place	Constitution Chapter 4 Part 2	Yes	None
		Definition in writing of the role of the executive member(s), to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole	3.6	In place	Constitution Chapter 3	Yes	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Accountability (cont)	Definition of the roles and responsibilities of members and officers to ensure accountability, clarity and ordering of the authority's business (cont)	Clear definition in writing of the roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review	3.7	In place	Constitution Article 2 and Chapter 6 (Members' Allowance Scheme)	Yes	None
		Chief executive with responsibility to the authority for all aspects of operational management	3.8	In place	Constitution Article 11	Yes	None
		Senior officer with responsibility to the authority for ensuring that appropriate advice is given to it on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control	3.9	The Director of Finance and Corporate Services has section 151 responsibility.	Constitution Article 11 and Financial Rules	Yes	None
		Clear definition of the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review	3.10	In place. Member approval of all senior level re-organisations.	Job descriptions Pay and grading structure. Constitution Article 11	Yes	None
Effectiveness	Proper scrutiny and review of all aspects of performance and effectiveness	Senior officer with responsibility to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with	3.11	In place – the Monitoring Officer fulfills this role.	Constitution Article 11	Yes	None
		Training for members	3.12	An induction pack and training is provided to all new members. During 2004/2005 the Monitoring Officer also provided training sessions on standards in specialist areas such as planning and procurement.	Members' Training Pack	Yes	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Integrity	Demonstration of integrity by ensuring a proper balance of power and authority	Clearly documented protocols governing relationships between members and officers	3.13	In place.	Constitution Chapter 5 Part 4	Yes.	None
		Clear definition of the relative roles and responsibilities of executives and other members, members generally and senior officers	3.14	In place	Constitution Articles	Yes	None
Integrity (cont)	Demonstration of integrity by ensuring a proper balance of power and authority (cont)	Adoption of clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole council are acknowledged and resolved	3.15	In place	Constitution Chapter 5	Yes	None
Openness	Demonstration of openness	Document structures and process and communicate them	3.16	The Constitution is viewable by staff, councillors, and members of the public with internet access.	Medway's website.	Yes	None
Inclusivity	Demonstration of inclusivity	Document structures and process and communicate them	3.17	As 3.16	As 3.16	As 3.16	As 3.16
Up to Date	Updating of structures and processes	Updating of structures and processes Adaptation to accommodate change	3.18	Minor changes concerned with the Licensing Act have been considered during 2004/2005. Consultation on revisions to bring in next year are proceeding.		Yes	None

Dimension 4: Risk Management and Internal Control

LAs should establish and maintain a systematic strategy, framework and processes for managing risk.

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Accountability	Making public statements to stakeholders on the authority's risk management strategy, framework and processes to demonstrate accountability	Publication on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice	4.1	Medway's 2003/2004 financial statements included explanation of the council's responsibility, and a Statement on Internal Control. The latter covered compliance with standards and codes, and a report on the authority's system for risk management and internal control.	Statement of Accounts 2003/2004 including Statement of Internal Control Council minutes 15 July 2004	Yes	None
Effectiveness	Monitoring and reviewing effectiveness against agreed standards and targets and the operation of controls in practice	Effective risk management systems, including systems of internal control and an internal audit function. These arrangements need to ensure: a) compliance with all applicable statutes, regulations and relevant statements of best practice b) that public funds are properly safeguarded and are used economically, efficiently and effectively and in accordance with the statutory and other authorities that govern their use	4.2	Systems of internal control are devised and maintained by managers, who have always been responsible for taking actions to eliminate, minimise or transfer risks in respect of the services they provide. Like performance management, risk management is now being treated as a function in its own right and is specifically mentioned in Service Plans, Business Plans and in quarterly performance reports to Portfolio Holders. There is an internal audit function which operates to professional standards in monitoring to ensure compliance with the Council's Financial Rules, Contract Rules and any relevant legislation and codes of practice.	Statement of Internal Control published with 2003/2004 Accounting Statements. Internal Audit Reports. Service Plans, Business Plans, AD quarterly reports.	The risk management systems which have been introduced during the last two years have encouraged managers and reviewing officers, including Members, to ensure that significant risks are brought to light and planned for where possible. (See also 4.4)	See 4.4

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Effectiveness (cont)	Monitoring and reviewing effectiveness against agreed standards and targets and the operation of controls in practice (cont)	Delivery of services by trained and experienced people	4.3	A robust recruitment process is in place. Personal Development Reviews identify training needs. The council has a strong training function.	Personnel Handbook PDR system Publications of training opportunities	Yes	None
Integrity	Demonstration of integrity by robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks	Robust systems for identifying and evaluating all significant risks, which involve the proactive participation of all those associated with planning and delivering services (NOTE: The above are the words in the CIPFA/SOLACE framework. The external auditors have looked specifically for a <u>Risk Register</u>)	4.4	Risk identification and evaluation is built into the annual service and financial planning processes, which during 2004/2005 used mainly manual systems. Medway's Strategic Risk Management Group (SRMG) has been leading on the development a more sophisticated risk management system using e-forms and a risk database, but this is not yet ready. A separate audit of Risk Management has been undertaken by Internal Audit. (Report 04032)	Service Plans Directorate Business Plans Budget construction and allocation paperwork Quarterly reports from ADs to Members SRMG report to Finance and Performance Management O&S Committee Audit report 04032 on Risk Management.	The main findings of the audit were that, whilst a great deal of information on risks has been produced, it is disjointed and has been approached in different ways.	Addressed in Audit Report 04032
		Maintenance of an objective and professional relationship with auditors and statutory inspectors	4.5	Council employees work within codes of conduct which should ensure this.	Constitution Chapter 5		
Openness	Display of openness	Involvement of all those associated with planning and delivering services, including partners	4.6	See 2.9	See 2.9	See 2.9	None
Inclusivity	Display of inclusivity	Involvement of all those associated with planning and delivering services, including partners	4.7	See 2.9	See 2.9	See 2.9	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Up to Date	Monitoring of the risk management and control process to ensure that it is complied with, that changes in circumstances are accommodated and that it remains up to date	Objective review of risk management and internal control, including internal audit	4.8	<p><u>Recommendation made in 2003/2004 Audit:</u> Clarify procedure for objective overview of risk management and internal control, including Internal Audit, as required by the Cipfa/Solace Code and the Accounts and Audit Regulations 2003.</p> <p><u>Agreed Action</u> The Director of Finance and Corporate Services will take responsibility for the overview in time for the publication of the SIC with Medway's 2003/2004 accounting statements.</p> <p><u>Position in 2004/2005</u> The above action was implemented and is now the accepted annual procedure.</p>	Director of Finance and Corporate Services report to Council 15 July 2004	Yes	None

Dimension 5: Standards of Conduct

Members and Senior officers should a) exercise leadership by conducting themselves as role models for others within the authority to follow; and b) define the standards of personal behaviour that are expected from members and staff and all those involved in service delivery.

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Accountability	Accountability through establishing systems for investigating breaches and disciplinary problems and taking actions where appropriate, including arrangements for redress	Development and adoption of formal codes of conduct defining the standards of personal behaviour to which individual members, officers, and agents of the authority are required to subscribe	5.1	Member and Employee codes of conduct are incorporated into the Constitution. All members and officers are expected to subscribe to them.	Constitution Chapter 5 Member Induction packs. Medway Council Employee Handbook	Yes	None
		Whistleblowing arrangements to which staff and all those contracting with the council have access	5.2	In place	Personnel Handbook. Medway Council Employee Handbook	Yes	None
Effectiveness	Effectiveness in practice through monitoring compliance	Appropriate systems and processes to ensure that codes and ethical standards are complied with	5.3	Management are responsible for designing procedures which contain controls to prevent or detect breaches of policy or procedures. Members and employees also have a personal responsibility to comply. Internal Audit reviews fraud and corruption controls as an integral part of its work, and carries out an annual audit of Medway's over-arching controls to prevent corruption.	Reports to Audit Sub Committee (May and September 2004 and January 2005) Audit Report 04023 "Arrangements to Prevent Corruption"	Yes	None

CIPFA/SOLACE				Medway's Current Position	Evidence	Good Enough?	Recommendations
Principle	Effective Arrangements Required For:	Suggested Requirements					
Integrity	Demonstration of integrity through maintenance of objectivity and impartiality in all relationships	Arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.	5.4	The authority has published a range of Policies, Codes of Practice and Protocols to ensure integrity in all its dealings. Registers are maintained for members' and employees' declarations of interests and gifts & hospitality.	Examples: Contracts Code of Practice Planning Code of Good Practice Communications protocol Equal Opportunities Policy Procurement Strategy	The 2004/2005 audit "Arrangements to Prevent Corruption" showed that minor improvements are needed to ensure compliance with policies.	Addressed in Audit Report 04023.
		Arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards	5.5	Policies and Codes of Practice are drawn up by units who are not involved in the working practices, with a view to ensuring that ethical standards and legal requirements will be met.	The council's policy units; procurement unit; contracting unit.	Yes	None
Openness	Display of openness	Documentation of standards and making sure they are understood	5.6	As 5.1 and 5.4	As 5.1 and 5.4	As 5.1 and 5.4	None
Inclusivity	Display of inclusivity	As 5.6	5.7	As 5.1 and 5.4	As 5.1 and 5.4	As 5.1 and 5.4	None
Up to Date	Keeping standards up to date	Regular review and updating of the standards	5.8	The Authority has participated in the ODPM's consultation on a proposed Model Code of Conduct for Local Government Employees. The Monitoring Officer has acted upon guidance received during the year from the Standards Board for England.	ODPM consultation papers. Letters to Members.	Yes	None