LANCASTER CITY COUNCIL
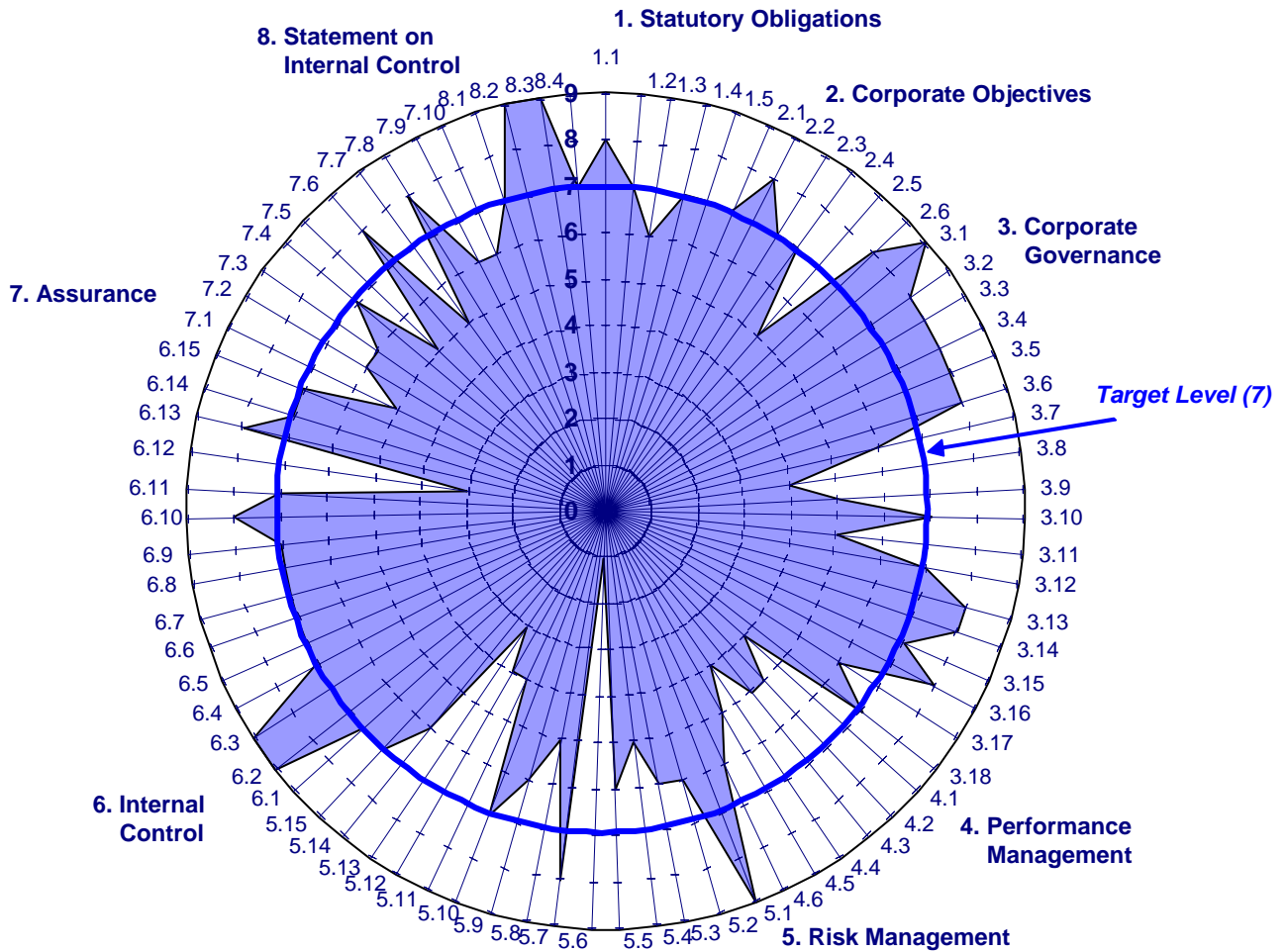*Promoting City, Coast & Countryside*

Internal Control & Corporate Governance Framework Overview 2005/06 (Management Group Evaluation)

The chart maps the scores produced by the Management Group for each of the 79 internal control features in the framework on a scale of 1 to 9. The filled area represents the extent to which the Council's arrangements are judged to provide effective control (i.e. the larger the filled area, the better) and a general "target" level of 7 has currently been set.

Where larger areas of white are displayed within the target circle, the greater the scope and need to improve arrangements.

Internal Control & Corporate Governance Framework Overview 2004/05 (Provided for Comparison)
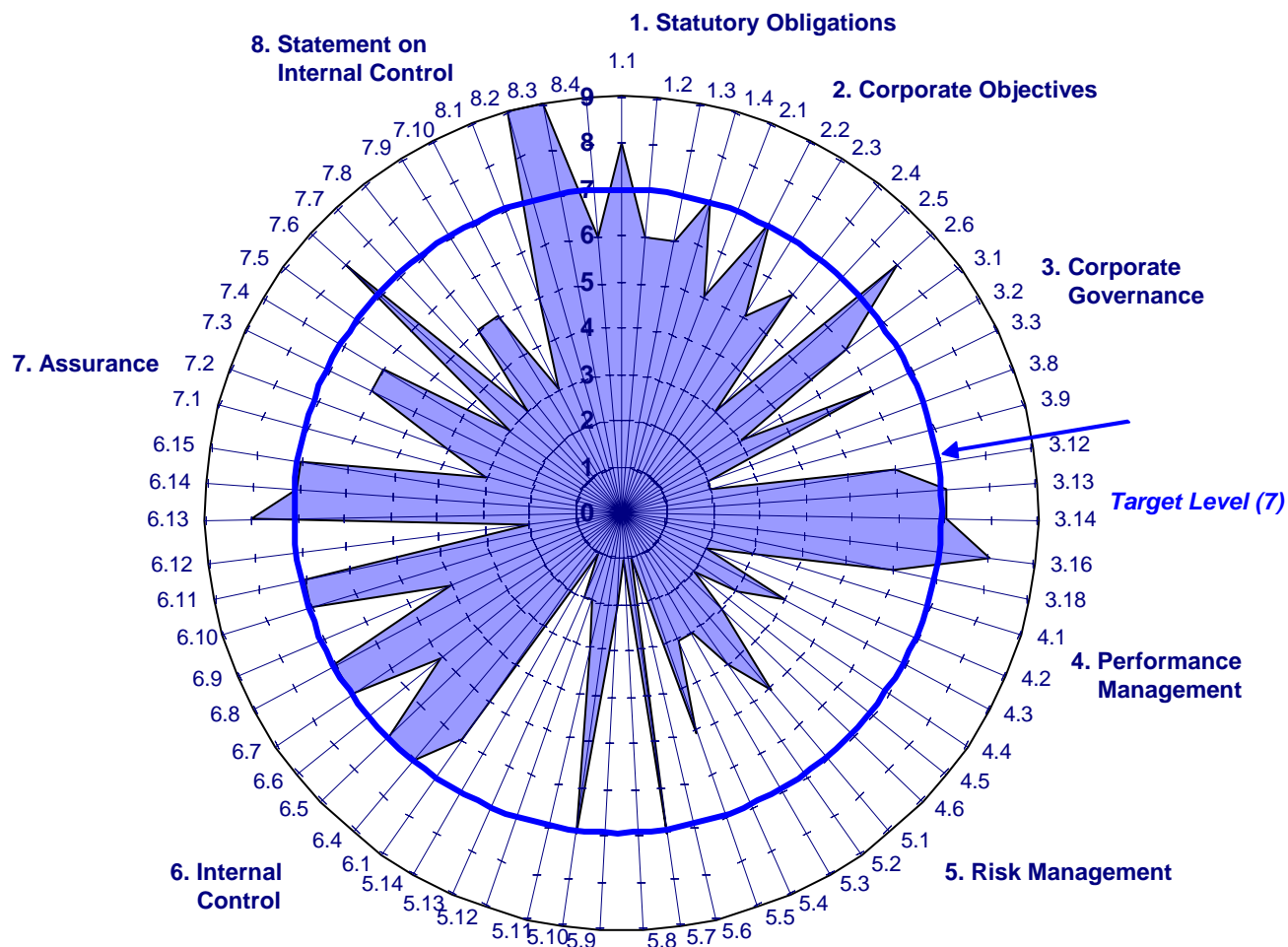
The chart maps the scores produced by the Management Group for each of the 67 internal control features in the framework on a scale of 1 to 9. The filled area represents the extent to which the Council's arrangements are judged to provide effective control (i.e. the larger the filled area, the better) and a general "target" level of 7 has currently been set.

Where larger areas of white are displayed within the target circle, the greater the scope and need to improve arrangements.

Please note that direct comparison with 2005/06 is not possible due to the addition of new controls.

Management Group Evaluation

1	Statutory Obligations	Score	
1.1	Responsibilities for statutory obligations are formally established and a senior officer is responsible for ensuring compliance.	8	
1.2	Statutory obligations are communicated to and understood by all relevant people in the organisation.	7	
1.3	Effective procedures exist to identify, evaluate, communicate, implement, comply with, and monitor legislative change.	6	
1.4	Effective action is taken where areas of non-compliance are found either in mechanism or legislation.	7	
1.5	Members meet regularly on a formal basis to set the strategic direction of the Authority and to monitor service delivery.	7	

2	Corporate Objectives	Score	
2.1	Consultation with stakeholders on priorities and objectives.	7	
2.2	The authority's priorities and organisational objectives have been agreed (taking into account feedback from consultation).	8	
2.3	Priorities and objectives are aligned to principal statutory obligations and relate to available funding.	7	
2.4	Resources are allocated according to corporate priorities.	7	
2.5	Objectives are reflected in departmental plans and are clearly matched with associated budgets.	5	
2.6	The authority's objectives are clearly communicated to staff and to all stakeholders.	8	

3	Corporate Governance	Score	
3.1	Code of corporate governance established.	9	
3.2	Review and monitoring arrangements in place.	8	
3.3	Committee charged with governance responsibilities.	8	
3.4	Proper balance of power and authority.	8	
3.5	The roles and responsibilities of members, together with the terms of their remuneration and its review, are clearly defined in writing.	8	
3.6	The Chief Executive is made responsible to the authority for all aspects of operational management.	8	
3.7	The roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are clearly defined in writing.	6	
3.8	Governance training provided to key officers and all members.	4	
3.9	Staff, public and other stakeholder awareness of corporate governance.	5	
3.10	The Authority has made and performed to an explicit commitment to openness in all of its dealings.	7	
3.11	The Authority builds effective relationships with partners, public agencies and the private/voluntary sectors. Outsourcing is considered where it is efficient and effective.	5	

Management Group Evaluation

3	Corporate Governance	Score	1 2 3 4 5 6 7 8 9
3.12	Encourage community/stakeholder engagement and establish clear and effective channels of communication with all sections of the community and stakeholders.	7	
3.13	The authority maintains an objective and professional relationship with its external auditors and statutory inspectors and puts in place arrangements for effective implementation of agreed actions.	8	
3.14	Clear, documented and understood management processes for policy development, implementation and review and for decision making, monitoring and control, and reporting.	8	
3.15	Members are properly trained for their roles and have access to all relevant information, advice and resource as necessary to enable them to carry out their role effectively.	7	
3.16	Services are delivered by trained and experienced people.	8	
3.17	The Authority is flexible to adapt and accommodate change and to meet user needs. Key stakeholders and users are consulted.	6	
3.18	Appropriate procedures to ensure the openness, integrity and accountability of officers and members.	7	

4	Performance Management	Score	1 2 3 4 5 6 7 8 9
4.1	Standards and targets for performance in the delivery of services are set on a sustainable basis with a view to continuous improvement and with reference to equality policies.	4	
4.2	Comprehensive and effective performance management systems operate routinely.	5	
4.3	Key performance indicators are established and monitored. Performance against agreed standards and targets is reported and comprehensive and understandable performance plans are developed.	5	
4.4	The authority knows how well it is performing against its planned outcomes.	4	
4.5	Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes.	5	
4.6	The authority continuously improves its performance management.	6	

5	Risk Management	Score	1 2 3 4 5 6 7 8 9
5.1	There is a written strategy and policy for managing risk.	9	
5.2	The authority has implemented clear structures and processes for risk management which are successfully implemented.	6	
5.3	The authority has developed a corporate approach to the identification and evaluation of risk which is understood by all staff.	6	
5.4	The authority has well defined procedures for recording and reporting risk.	5	
5.5	The corporate/departmental risk register(s) includes expected key controls to manage principal risks.	6	
5.6	Key risk indicators have been drawn up to track the movement of key risks and are regularly monitored and reviewed.	1	
5.7	The authority has well-established and clear arrangements for financing risk.	8	
5.8	The authority has developed a programme of risk management training for relevant staff.	5	

Management Group Evaluation

5 Risk Management

Score | 1 2 3 4 5 6 7 8 9

		Score
5.9	The corporate risk management board (or equivalent) adds value to the risk management process.	6
5.10	A corporate risk officer has been appointed with the necessary skills to analyse issues, offer options and advice and support decision making and policy formulation.	7
5.11	Managers are accountable for managing their risks.	4
5.12	Risk management is embedded throughout the authority.	4
5.13	Risks in partnership working are fully considered.	3
5.14	Where employed, risk management information systems meet users' needs.	6
5.15	There are effective arrangements for the review of risk management and internal control, including internal audit.	7

6 Internal Control

Score | 1 2 3 4 5 6 7 8 9

		Score
6.1	Financial management arrangements ensure public funds are properly safeguarded and are used economically, efficiently and effectively.	7
6.2	A senior officer is made responsible to the Authority for the provision of proper financial management, advice and an effective system of internal financial control.	9
6.3	There is an internal audit function.	9
6.4	Written financial regulations are in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff.	7
6.5	There are written contract standing orders in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff.	7
6.6	There is a whistleblowing policy in place which has been formally approved, regularly reviewed and widely communicated to all staff.	7
6.7	There is a counter fraud and corruption policy in place which has been formally approved, regularly reviewed and widely communicated to all relevant staff.	7
6.8	There are codes of conduct in place which have been formally approved and widely communicated.	7
6.9	A register of interests is maintained, regularly updated and reviewed.	7
6.10	A scheme of delegation has been drawn up and has been formally approved and communicated to all relevant staff.	8
6.11	A corporate procurement policy has been drawn up, formally approved and communicated to all relevant staff.	7
6.12	Business/service continuity plans have been drawn up for all critical service areas.	3
6.13	The authority's internal control framework is subject to regular independent assessment.	8
6.14	A corporate health and safety policy has been drawn up, formally approved, is subject to regular review and has been communicated to all relevant staff.	7
6.15	A corporate complaints policy/procedure has been drawn up, formally approved, communicated to all relevant staff, the public and other stakeholders and is regularly reviewed.	7

Management Group Evaluation

7   Assurance

		Score	Scale
7.1	The authority has determined appropriate internal and external sources of assurance.	5	
7.2	Appropriate key controls on which assurance is to be given have been identified and agreed.	6	
7.3	Mechanism established for collecting SIC assurances.	6	
7.4	Department heads provide assurance statements that key controls are in place and have been in operation for the period concerned.	7	
7.5	External assurance reports are collated centrally.	5	
7.6	Internal Audit reports regularly to the Audit Committee and the Head of Internal Audit provides an annual report, including an opinion on the internal control framework.	8	
7.7	Responsibilities for the evaluation of assurances are clearly defined throughout the organisation.	5	
7.8	A 'SMART' (Specific, Measurable, Achievable, Realistic and Time-bound) action plan is drawn up and approved.	8	
7.9	Actions are communicated and responsibilities for implementation within agreed timescales are assigned.	6	
7.10	Ongoing review of progress and of continuing appropriateness of action.	6	

8   Statement on Internal Control

		Score	Scale
8.1	Annual reporting of the Authority's activities and achievements, financial position and performance.	7	
8.2	Responsibilities for the compilation, signing and reporting of the Statement on Internal Control in accordance with statutory requirements have been assigned.	9	
8.3	There is a timetable for the production and publication of the Statement on Internal Control that meets the statutory deadline.	9	
8.4	The Statement on Internal Control is reviewed, challenged and approved by the authority.	7	