LANCASTER CITY COUNCIL
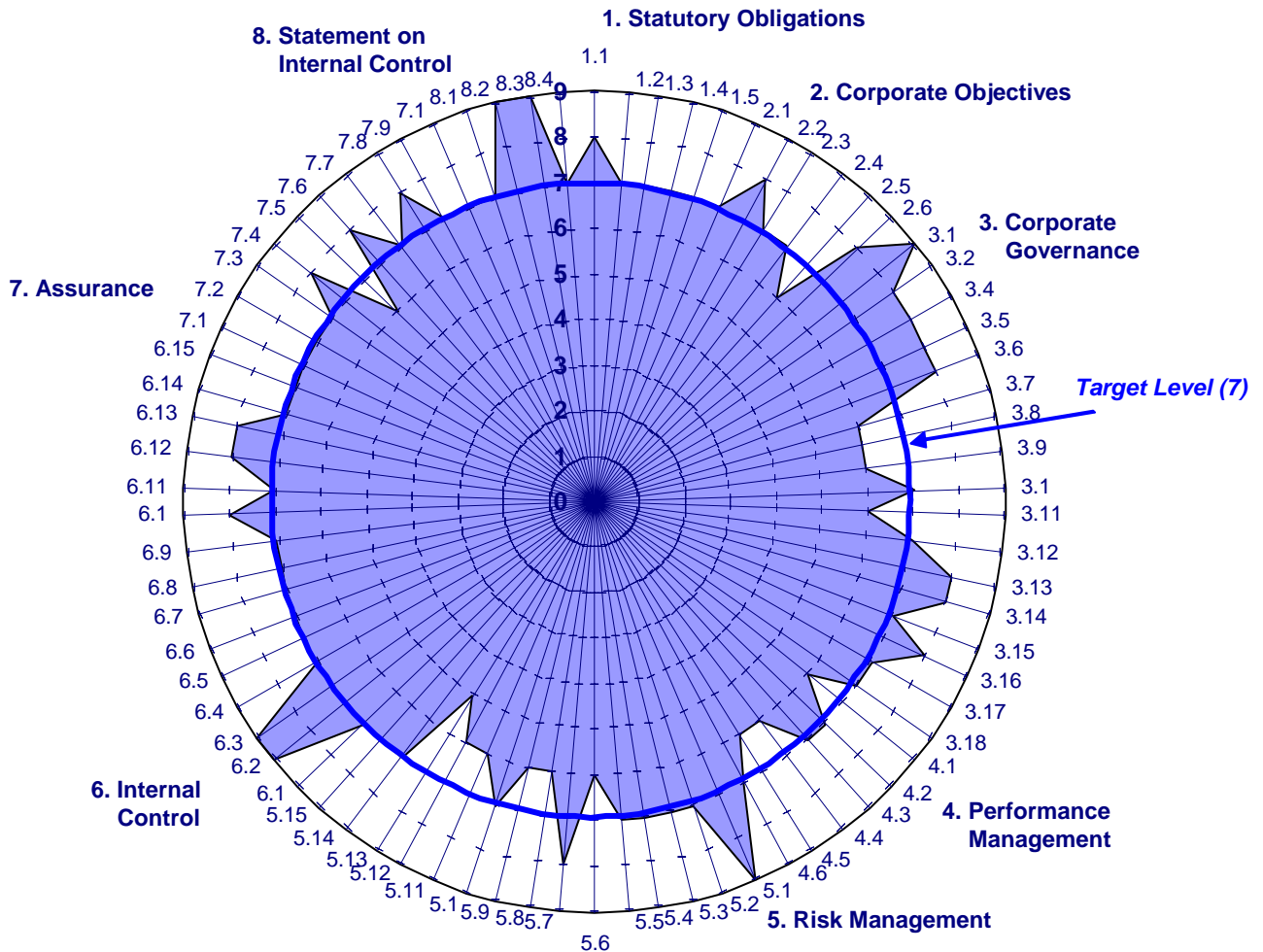*Promoting City, Coast & Countryside*

Internal Control & Corporate Governance Framework Overview 2006/07 (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.

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Promoting City, Coast & Countryside

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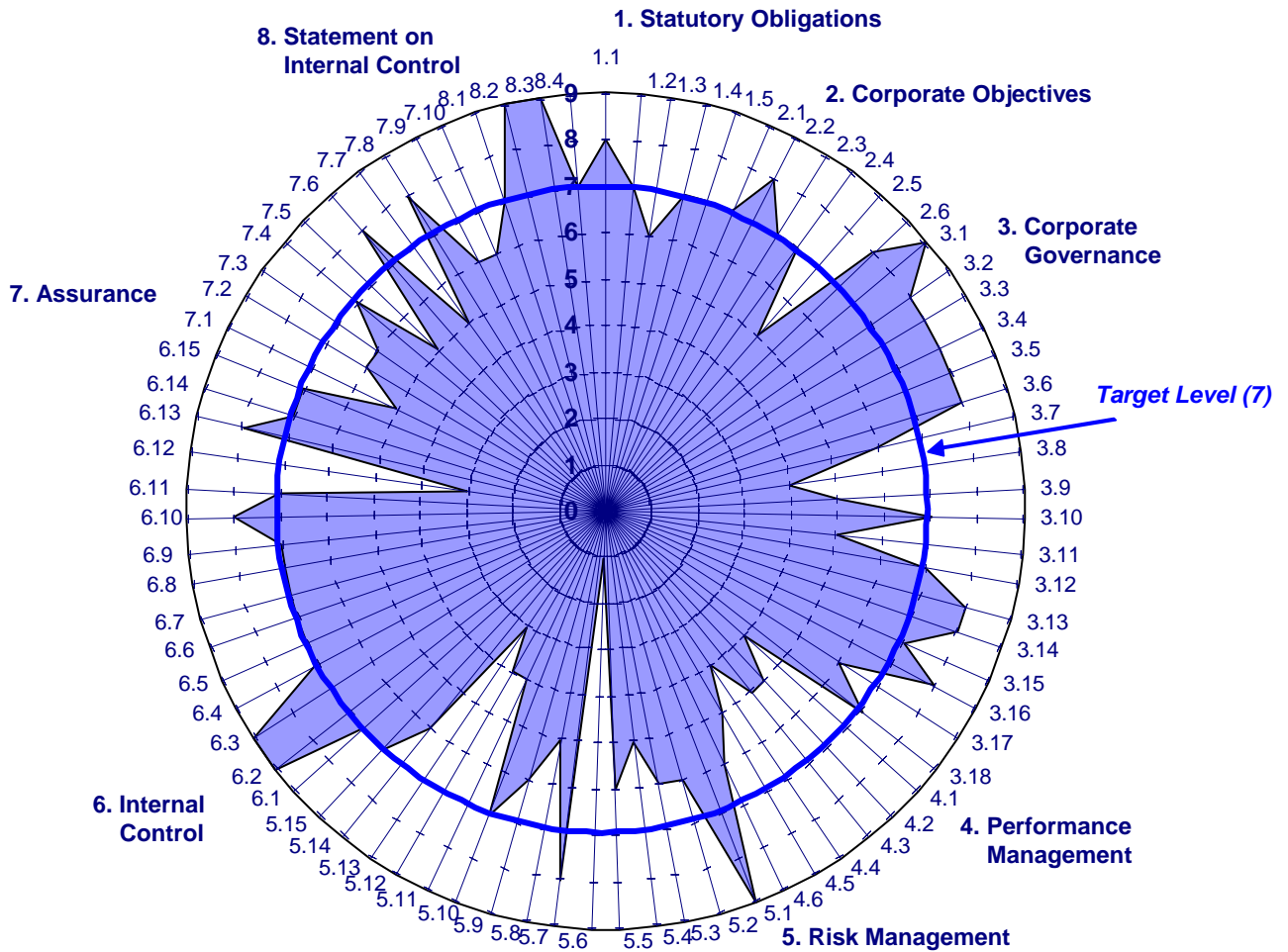
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Management Group Evaluation

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.	7	
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.	6	
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.		
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.	6	
3.9	Staff, public and other stakeholder awareness of corporate governance.	6	
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.	6	

Management Group Evaluation

3 Corporate Governance

#	Description	Score
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.	7
3.18	Appropriate procedures to ensure the openness, integrity and accountability of officers and members.	7

4 Performance Management

#	Description	Score
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.	6
4.2	Comprehensive and effective performance management systems operate routinely.	7
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.	7
4.4	The authority knows how well it is performing against its planned outcomes.	6
4.5	Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes.	6
4.6	The authority continuously improves its performance management.	7

5 Risk Management

#	Description	Score
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.	7
5.3	The authority has developed a corporate approach to the identification and evaluation of risk which is understood by relevant staff.	7
5.4	The authority has well defined procedures for recording and reporting risk.	7
5.5	The corporate/departmental risk register(s) includes expected key controls to manage principal risks.	7
5.6	Key risk indicators have been drawn up to track the movement of key risks and are regularly monitored and reviewed.	6
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.	6

Management Group Evaluation

5	Risk Management	Score	1 2 3 4 5 6 7 8 9
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.	6	
5.12	Risk management is embedded throughout the authority.	6	
5.13	Risks in partnership working are fully considered.	5	
5.14	Where employed, risk management information systems meet users' needs.	7	
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
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 effective 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.	8	
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 (1–9)
7.1	The authority has determined appropriate internal and external sources of assurance.	7	
7.2	Appropriate key controls on which assurance is to be given have been identified and agreed.	7	
7.3	Mechanism established for collecting SIC assurances.	7	
7.4	Department heads provide assurance statements that key controls are in place and have been in operation for the period concerned.	8	
7.5	External assurance reports are identified and collated centrally.	6	
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.	7	
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.	7	
7.10	Ongoing review of progress and of continuing appropriateness of action.	7	

8 Statement on Internal Control

		Score	Scale (1–9)
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	