Midlothian Council Local Code of Corporate Governance (Revised February 2021)

Midlothian 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, efficiently and effectively.

The Council operates through a governance framework for the conduct of its affairs which brings together an underlying set of legislative requirements, governance principles and management processes. The Council's revised Local Code of Corporate Governance, which is consistent with the principles and requirements of the CIPFA/SOLACE Framework 2016 "Delivering Good Governance in Local Government", will help to ensure proper arrangements continue to be in place to meet the Council's responsibilities.

The concept underpinning the Framework is that it assists local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework helps authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities

- there is sound and inclusive decision making

- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The environment in which it works local government is increasing in complexity. The Public Bodies (Joint Working) (Scotland) Act 2014 and other legislation have brought about new roles, opportunities and greater flexibility, as well as challenges for authorities.

The development of new structures, such as health and social care partnerships, necessitates the design of governance structures from the bottom up, ensuring that the core principles of good governance covering openness and stakeholder engagement, defining outcomes, monitoring performance and demonstrating effective accountability are integrated and embedded within the new structures and that mechanisms for effective scrutiny are established.

Whether working with other authorities, public sector bodies, the third sector or private sector providers, local authorities must ensure that robust governance arrangements are established at the outset. The 'Framework' defines the seven core principles of good governance, which the Council fully supports, namely:

(i) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

(ii) Ensuring openness and comprehensive stakeholder engagement

(iii) Defining outcomes in terms of sustainable economic, social, and environmental benefits

(iv) Determining the interventions necessary to optimise the achievement of the intended outcomes

(v) Developing the entity's capacity, including the capability of its leadership and the individuals within it

(vi) Managing risks and performance through robust internal control and strong public financial management

(vii) Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Midlothian Council aims to meet the highest standards of corporate governance to help ensure that it meets its objectives. It will test its structure against these principles by:

- Reviewing its existing governance arrangements against the 'Framework'

- Developing and maintaining an up-to-date Local Code of Governance including arrangements for ensuring its ongoing application and effectiveness

- Preparing a governance statement (Annual Governance Statement) in order to report publicly on the extent to which it complies with its own code on an annual basis, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes for the coming period.

The preparation and publication of an Annual Governance Statement in accordance with the Framework fulfils the statutory requirement for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts. This process not only creates an opportunity for the Council to set out its standards for good governance but also to ensure that its governance arrangements are seen to be sound. This is important as the governance arrangements in public services are closely scrutinised.

	A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
	Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

A1 Behaving with integrity

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	Standards are set out in the Councillors Code of Conduct. Employees Code of Conduct reflects the values of the Council, "The Seven Principles of Public Life" identified by the Nolan Committee on Standards in Public Life, and signposts to the Council's Whistleblowing – Public Interest Disclosure Policy. The Performance Appraisal scheme in place for officers (MPM) is based upon the Council's values and standards.
2	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	The Single Midlothian Plan (endorsed by Council and published on website) sets out the vision, values and standards to guide the way it works and to inform strategies and policies based on priorities.
3	Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Declarations of interest are set out in the Council's Standing Orders which govern the conduct of each Committee meeting.
4	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	Councillors and Employees Codes of Conduct outline the minimum standards of conduct and behaviours that are expected and reflect the values of the Council to make sure that public business is conducted with fairness and integrity. Declarations of Interest are set out in the Council's Standing Orders which govern the conduct of each Committee meeting. Employees Code of Conduct signposts to Council's Whistleblowing – Public Interest Disclosure Policy. The standalone Outside Employment and Other Interests Policy and Gifts and Hospitality Policy aim to provide clear instruction to employees for identifying, mitigating and recording potential conflicts of interest, hospitality and gifts.

A2 Demonstrating strong commitment to ethical values

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Seeking to establish, monitor and maintain the organisation's ethical standards and performance	Annual Governance Statement is the outcome of self-evaluation of compliance. The Audit Committee have oversight to ensure that the highest standards of probity and public accountability are demonstrated.
2	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	Standards of conduct and behaviour are set out in the Councillors and Employees Codes of Conduct (reflects Nolan principles). Induction programmes include the above to ensure competency.
3	Developing and maintaining robust policies and procedures	Employees Code of Conduct reflects the values of the Council, and "The Seven Principles of Public Life".
4	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	Procurement Strategy states the five strategic themes as a procuring / contracting authority: Economic Benefits, Social Benefits, Environmental Benefits, Commercial Efficiency, and Contract and Supplier Management.

A3 Respecting the rule of law

	Behaviours and actions that demonstrate good governance ccc	Demonstration of good governance in practice
1	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Advice and overseeing compliance on legal matters is provided by the Legal Services Manager (Monitoring Officer).
2	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	The Scheme of Delegation sets out the particular delegations to Senior Management. Membership of Professional Bodies is required. Professional advice on the discharge of statutory social work duties is provided to the Council by the Head of Adult Health and Social Care (Chief Social Work Officer).
3	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	Local Code of Corporate Governance, Standing Orders, Scheme of Administration, Scheme of Delegation, and Financial Regulations reflect legal requirements placed upon the Council.
4	Dealing with breaches of legal and regulatory provisions effectively.	The Monitoring Officer (statutory role) is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. The Standards Committee is responsible for dealing with matters relating to conduct and ethical standards.
5	Ensuring corruption and misuse of power are dealt with effectively	Counter Fraud Policy and Strategy approved by Council. Integrity Group established to improve the Council's resilience to fraud, corruption, theft and crime (including cybercrime and money laundering). Counter Fraud Annual Report presented to Audit Committee.

	B. Ensuring openness and comprehensive stakeholder engagement
	Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

B1 Openness

	Behaviours and actions that demonstrate good governance	**Demonstration of good governance in practice**
1	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Behaviours demonstrated in B1.2. B1.3 and B1.4. Compliance with Data Protection and Freedom of Information legislation.
2	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	Calendar of main Council and Committee meetings. Minutes and committee reports are published on the Council's website. Council meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality.
3	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	The standard report template for decision-making reports to Committees, include Resources, Risk, Single Midlothian Plan and Key Priorities, Key Drivers for Change, Key Delivery Streams, Delivering Best Value, Impact on Performance and Outcomes, Adopting a Preventative Approach, Involving Communities and Other Stakeholders, Ensuring Equalities, Supporting Sustainable Development, and Digital. Calendar of main Council and Committee meetings. Committee reports are published on Council's website in advance of meeting dates.
4	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	The Community Planning Partnership (CPP) actively pursues formal and informal consultation. Service specific consultation is also undertaken.

B2 Engaging comprehensively with institutional stakeholders

	Behaviours and actions that demonstrate good governance	**Demonstration of good governance in practice**
1	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	The Community Planning Partnership (of which the Council is a partner) has a Community Plan - The Single Midlothian Plan, as the Local Outcomes Improvement Plan (LOIP). The Council's vision, strategic objectives and priorities underpinned by a strategic assessment are reflected in the Single Midlothian Plan.
2	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	As B2.1
3	Ensuring that partnerships are based on: • trust; • a shared commitment to change; • a culture that promotes and accepts challenge among partners; and • that the added value of partnership working is explicit	As B2.1

B3 Engaging stakeholders effectively, including individual citizens and service users

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	The CPP's Governance Framework sets out principles for Community Engagement for the CPP which includes the Council as one of the partners. The Strategic Plan (The Single Midlothian Plan) was developed following consultations with interested parties including members of the public, therefore highly co-produced.
2	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	As B3.1
3	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	As B3.1 Citizen's panel. The Council has put robust arrangements in place to comply with key elements of the Community Empowerment Act. The Council fully supports community empowerment and recognises the importance of building community capacity and volunteering as a key factor in building stronger, safer, and supportive communities. The success of the CPP #kindnessmidlothian campaign in harnessing a community planning partnership response to Covid-19 resulted in a significant increase in volunteering during the emergency phase of the pandemic; plans to build on this further through the next phases.
4	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	As B3.1 The Council seeks feedback from the public through its complaints and comments procedures for Corporate and Social Work (statutory) service areas, responds to the outcomes, as appropriate, and reports the results annually.
5	Taking account of the interests of future generations of tax payers and service users	As B3.1 Elected Members are appointed to the Midlothian Integration Joint Board.

	C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

C1 Defining outcomes

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	The Community Planning Partnership (of which the Council is a partner) has a Community Plan - The Single Midlothian Plan, as the Local Outcomes Improvement Plan (LOIP). The Council's vision, strategic objectives and priorities underpinned by the Strategic Assessment are reflected in the Single Midlothian Plan. In response to the Covid-19 Pandemic, Council approved the Midlothian Route Map through and out of the Crisis in June 2020. This presents an ambitious programme of recovery in line with the 9 Drivers for change. In addition, Council also approved the Climate Change Strategy in August 2020 which is a significant in its overarching aim to be Carbon Neutral by 2030. An updated Economic Renewal strategy was approved by Council in August 2020 in response to the recovery actions required as a result of the pandemic. The Council is also committed to accelerating the Capital Programme and a number of reports were approved by Council in June and August 2020 which Officers are now progressing.
2	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	The standard report template for decision-making reports to Committees, outlining any proposals to change policies, strategies and plans, was reviewed in response to the shift to virtual meetings and new ways of working as a result of the pandemic and to ensure that key elements identified in the Midlothian Route Map through and out of the Crisis are reflected. Considerations include Resources, Risk, Single Midlothian Plan and Key Priorities, Key Drivers for Change, Key Delivery Streams, Delivering Best Value, Impact on Performance and Outcomes, Adopting a Preventative Approach, Involving Communities and Other Stakeholders, Ensuring Equalities, Supporting Sustainable Development, and Digital.
3	Delivering defined outcomes on a sustainable basis within the resources that will be available	Monitoring the delivery of service plans and performance indicators is conducted quarterly by the Cabinet (the principal decision-making committee of the Council) and by the Performance, Review and Scrutiny Committee (responsible for reviewing performance against policy objectives and commenting on decisions and policies and their impact). The Council carries out monitoring of the revenue and capital financial plans on a quarterly basis. Financial planning arrangements continue to be implemented to address budget gaps, underpinned by financial budgeting and monitoring arrangements with a quarterly financial monitoring board of officers now meeting to scrutinise in year and future year savings.
4	Identifying and managing risks to the achievement of outcomes	Risk management policy and guidance in place. Risk Register review and update is embedded in quarterly reporting processes.
5	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	The Council's performance management framework establishes the mechanism to ensure the Council meets its legal duty to provide best value to its citizens. There is annual development and monitoring of Service Plans and PIs which are aligned to Priorities in the Single Midlothian Plan. This includes a self-assessment process to evaluate actual versus standard service quality (for those Services that do not routinely self-evaluate for inspection purposes, the Customer Service Excellence model has been adopted).

C2 Sustainable economic, social and environmental benefits

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	Asset management planning and capital investment is structured to consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. Planning processes are in place for revenue and capital expenditure. Social and environmental impact is implicitly considered. The capital programme is being reviewed in light of the Midlothian Route Map Through and Out of the Crisis which was approved by Council in June 2020 as an "accelerate Capital Programme" is a key pillar of the recovery work. Supporting Capital projects were also approved by Council in June and August 2020.
2	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	Various strategies and transformative programmes are in place to respond to the social, economic and demographic challenges facing the Council and still deliver high quality and improved services. Business Transformation Steering Group and Business Transformation Board refocus on the scale and pace of delivery of change and transformation resulting from significant changes to the financial landscape.
3	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	Decision-making reports to Committees outlining any proposals to change policies, strategies and plans include sections on implications covering Resources, Risk, Single Midlothian Plan and Key Priorities, Key Drivers for Change, Key Delivery Streams, Delivering Best Value, Impact on Performance and Outcomes, Adopting a Preventative Approach, Involving Communities and Other Stakeholders, Ensuring Equalities, Supporting Sustainable Development, and Digital.
4	Ensuring fair access to services	Conducting an Integrated Impact Assessment is a requirement relating to any new or revised proposals such as policy, service or budget change which affects people (the public or staff). Service-specific governance arrangements include Fair access to social care policy and resource panels for children and adults services to ensure consistency.

	D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

D1 Determining interventions

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.	Decision makers receive detailed information indicating how intended outcomes would be achieved together with the risks, financial and other implications associated with the proposals, by way of the compulsory sections of the Committee report template. Guidance on preparing reports for Committees. Committee reports are published on Council's website in advance of meeting dates. Officers attend Committee meetings to advise as appropriate.
2	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders. The Council fosters effective relationships, collaborative working and contractual arrangements with other public, private, and voluntary organisations in delivering services that meet the needs of the local community.

D2 Planning interventions

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	Calendar of main Council and Committee meetings. Regular refreshes of key strategic and operational plans, priorities and targets.
2	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	As D1.2
3	Considering and monitoring risks facing each partner when working collaboratively including shared risks	Risk management policy and guidance in place.
4	Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	Medium Term Financial Strategy to enable the Council to respond to unprecedented social, demographic and economic challenges.

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
5	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	Performance Management Framework approved by Council. KPIs set out in Single Midlothian Plan Council performance is monitored quarterly. A performance report is produced for the council, and each of the Council Services is scrutinised by committees on a quarterly basis These reports show the progress the services have made towards the outcomes in the Single Midlothian Plan and their individual services priorities.
6	Ensuring capacity exists to generate the information required to review service quality regularly	Independent external inspections are scrutinised by committees. Corporate approach to self-evaluation; programme of review for Services.
7	Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan	Prepared from arrangements in D2 .8
8	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	Medium Term Financial Strategy and plans for revenue (5-year) and capital (10-year) based on identified priorities.

D3 Optimising achievement of intended outcomes

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	Medium-Term Financial Strategy approved alongside Resources and Financial Plans.
2	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	As D3.1
3	Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	Medium-Term Financial Strategy is in place.
4	Ensuring the achievement of 'social value' through service planning and commissioning *(Social Value is technically referred to as Community Benefit in Scotland)*	Procurement Strategy states Social Benefits as one of the strategic themes. Plans are in place to implement a mechanism for tracking Community Benefits to determine whether the Council is actually receiving the earmarked community benefits from the procurements undertaken.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

E1 Developing the entity's capacity

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	Performance Management Framework approved by Council. Corporate approach to self-evaluation; programme of review for Services.
2	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently	Performance Management Framework approved by Council Participation in the Local Government Benchmarking Framework.
3	Recognising the benefits of partnerships and collaborative working where added value can be achieved	Options are always considered where relevant in any decision making or service review. Shared service agreements are in place in some areas and are being considered in others. Strong ties between the Council and the Community Planning Partnership. Effective partnership and collaborative working as a legacy of emergency response.
4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	Workforce strategy and framework in place for the development of workforce plans.

E2 Developing the capability of the entity's leadership and other individuals

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	Induction Programme for elected members to understand roles, protocols and standards. Regular meetings are held between Chief Executive and Leader.
2	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	The key governance documents, below the Local Code of Corporate Governance, include the Scheme of Administration, Standing Orders, Scheme of Delegation and Financial Regulations which reflect the powers delegated to specific committees and officers to enable effective and efficient fulfilment of their roles within the Council.
3	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	Regular meetings are held between Chief Executive and Leader. The Chief Executive is a Statutory post with job description. Particular delegations to Chief Executive are detailed within the Scheme of Delegation.

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
4	Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:-	
-	- ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged	Induction Programme and access to comprehensive list of Courses, Seminars and e-learning. Members and Staff Briefings. Leadership and supervisory management development programmes.
-	- ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis	Identification of training needs for elected members as part of a development programme. Performance review process in place for all employees (MPM).
-	- ensuring personal, organisational and system wide development through shared learning, including lessons learnt from both internal and external governance weaknesses	Leadership Forum brings together senior and operational leaders to share and learn. Reports by external scrutiny and inspection bodies outlining findings and recommendations are presented to the relevant committee including associated Action Plans for improvement.
5	Ensuring that there are structures in place to encourage public participation	Single Midlothian Plan is highly co-produced and based on extensive public participation. Application of requirements of the Community Empowerment Act.
6	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	Self-evaluation of new Senior Leadership Team. Strategic leaders' development experience 'SOLACE Springboard'.
7	Holding staff to account through regular performance reviews which take account of training or development needs	Development and performance review process in place for all employees (MPM).
8	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	Provision of a mix of formal and informal offerings to support the wellness of its employees ranging from occupational health, people policies, themed events, training, helplines and other support.

F. Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

F1 Managing risk

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	Risk management policy and guidance in place. Strategic and operational risk registers in place. Committee Reports for decision making include a section on implications covering risks and mitigations.
2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	As F1.1 Risk Management Group as forum for sharing and learning from across Council operational services. Quarterly Risk Management updates on strategic risk reviews presented to Audit Committee.
3	Ensuring that responsibilities for managing individual risks are clearly allocated	Risk Management Policy sets out roles and responsibilities to manage risks of individuals and groups.

F2 Managing performance

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review	Quarterly monitoring and progress reports on corporate performance. Performance reporting published on Council's website.
2	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	Reports to Committees for decisions include a section on implications covering resources, risks and mitigations. Committee reports are published on CMIS one week in advance of meeting dates. Guidance on preparing Committee reports.

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
3	Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	Competent Audit Committee with constructive links to senior officers including Chief Internal Auditor. The Audit Committee agenda and minutes are published on CMIS
4	Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	As F2.1 Calendar of meetings approved by Council in advance. Timetables for preparation of and consultation on reports to meet publication dates.
5	Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)	Governance arrangements in place including Standing Orders and Financial Regulations.

F3 Robust internal control

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Aligning the risk management strategy and policies on internal control with achieving objectives	Risk Management Policy Internal Audit strategy and plans approved by Audit Committee.
2	Evaluating and monitoring risk management and internal control on a regular basis	Risk-based Internal Audit plans and reports approved by Audit Committee.
3	Ensuring effective counter fraud and anti-corruption arrangements are in place	Counter Fraud Policy and Strategy approved by the Council, including an officer steering group (Integrity Group) to focus on fraud prevention and detection. Annual report on counter fraud activity and outcomes considered by Audit Committee.
4	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	Internal Audit annual assurance report as part of process for preparation of the Council's Annual Governance Statement. Reports to Audit Committee on provision of Internal Audit statutory service and conformance with Public Sector Internal Audit Standards (PSIAS).

5	Ensuring an Audit Committee or equivalent group or function which is independent of the executive and accountable to the governing body:
	   - provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment
	   - that its recommendations are listened to and acted upon
		The role of the Audit Committee is to have high-level oversight of internal control, governance and risk management.
		
		Independence is maintained though membership composition i.e. external members.
		
		Audit Committee Action Tracker to monitor recommendations. Annual self-evaluation of effectiveness of Audit Committee and Annual Report to Council (best practice).

F4 Managing data

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	Privacy Policy is in place to set out data protection compliance requirements across the Council. Information Asset Register overseen by the Information Management Group. The Records Management Policy has been agreed by Keeper of Records Scotland. Independent assurance from PSN and Cyber Essentials Plus certifications.
2	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	As F4.1 Periodic Internal Audit reviews covering Information Governance and GDPR Information Asset Register states Data Sharing agreements in place.
3	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	Quality and Validation of data used in decision making and performance reporting is typically the responsibility of the service area. Internal Audit annual reviews on Performance Management cover validation of the KPI data submitted for Local Government Benchmarking Framework.

F5 Strong public financial management

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance	As D2.8 Medium Term Financial Strategy and plans for revenue (5-year) and capital (10-year) based on identified priorities. As D3.1 Medium-Term Financial Strategy approved alongside Resources and Financial Plans. As D3.3. Medium-Term Financial Strategy is in place.
2	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	As D2.8 Medium Term Financial Strategy and plans for revenue (5-year) and capital (10-year) based on identified priorities.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

G1 Implementing good practice in transparency

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	Public Performance Reporting is published on Council's website.

Committee reports are published on the CMIS site for transparency which reflect the decision-making structure within the Council's Scheme of Administration. |
| 2 | Striking a balance between providing the right amount of information to satisfy **transparency** demands and enhance public scrutiny while not being too onerous to provide and for users to **understand** | A Committee report template is used to ensure published information is written clearly and concisely, having regard to the complexity of the subject matter, with information on the implications of the proposals contained therein. |

G2 Implementing good practices in reporting

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Reporting at least annually on performance, value for money and the stewardship of its resources	The Statement of Accounts, incorporating a Management Commentary, provides financial and other performance information regarding the operation of the Council, its wider achievements and areas for development. The Statement of Accounts is produced in accordance with statutory guidance and deadlines.

External Audit Annual Report provides assurance and key recommended improvements. |
2	Ensuring members and senior management own the results	Meeting dates of CMT and other senior management and elected member forums have been aligned to enable appropriate engagement and consultation prior to formal Committees. The Committee report template includes section "Involving Communities and Other Stakeholders".
3	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	A self-evaluation of compliance with the Governance Framework is undertaken annually. The Annual Governance Statement is the outcome of that process which includes the Governance Framework, the Review of Framework, and Improvement Areas of Governance.
4	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	The annual assurance process and the Annual Governance Statement reflect the assurances received from Directors and other senior management which covers the Council's service delivery arrangements which are reflected in the Group Accounts.
5	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	The Management Commentary in the Statement of Accounts provides financial and other performance information regarding the operation of the Council, its wider achievements and areas for development. The Statement of Accounts is produced in accordance with statutory guidance and deadlines.

G3 Assurance and effective accountability

	Behaviours and actions that demonstrate good governance	Demonstration of good governance in practice
1	Ensuring that recommendations for corrective action made by external audit are acted upon	External Audit reports outlining findings and recommendations (including follow-up progress) are presented to the Audit Committee.
2	Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	Regular reports on Internal Audit activity, performance and compliance are presented to the Audit Committee. The Chief Internal Auditor meets regularly with the Chair of the Audit Committee. Compliance with CIPFA's Statement on the Role of the Head of Internal Audit (2019). Compliance with Public Sector Internal Audit Standards. Regular reports are presented to the Audit Committee on Management's progress with implementation of recommendations made by Internal Audit to ensure these are acted upon.
3	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	Reports by external scrutiny and inspection bodies outlining findings and recommendations are presented to the relevant committee including associated Action Plans for improvement.
4	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	The existing governance framework including alternative service delivery arrangements and assurances on risks are reflected in the annual assurance process and the Annual Governance Statement.
5	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	The Community Planning Partnership and Midlothian Integration Joint Board, which are the most significant, have their own Governance Frameworks in place to align with the Council's Governance Framework on public accountability.