Appendix 1



MIDLOTHIAN COUNCIL

CODE OF CORPORATE GOVERNANCE (Revised 2017)

Derek Milligan, Leader of the Council
Kenneth Lawrie, Chief Executive

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LOCAL CODE OF CORPORATE GOVERNANCE

Introduction

Midlothian Council operates through a governance framework based on legislative requirement, governance principles and management processes. The Council monitors and revises the governance framework as required to ensure that its governance arrangements are robust and that they demonstrate good practice.

As noted above the Council's governance framework is subject to ongoing review and responds to changes in legislation from the initial adoption in January 2001 of a local code of corporate governance based on a governance framework document published by CIPFA/SOLACE through to refresh in 2008, in response to CIPFA/SOLACE producing a new framework 'Delivering Good Governance in Local Government'. The 'Delivering Good Governance in Local Government: Framework' was updated by CIPFA/SOLACE in 2016 and it is this revision that has informed this update to Midlothian Council's Code of Corporate Governance.

The code is set out in two parts:

Part 1 - details Midlothian Councils Corporate Governance Self Assessment and Assurance plan

Part 2 - describes the principles and sub-principles of good governance and how the council aims to achieve these.

Part 1 – Corporate Governance Self Assessment and Assurance Plan

STATEMENT OF CORPORATE GOVERNANCE

Midlothian Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. This is to allow public funds and the assets at its disposal to be safeguarded and used efficiently and effectively in pursuit of best value.

Elected Members and senior management are responsible for the governance of the business affairs of Midlothian Council. This includes: setting the strategic direction, vision, culture and values of the Council; and establishing appropriate and cost effective systems, processes and internal controls to allow the strategic objectives to be delivered.

In order to achieve this, the Council has developed a Code of Corporate Governance based on the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives' (SOLACE) framework and guidance on Delivering Good Governance in Local Government: Framework (2016). The Code has been reviewed and updated in line with the new International Framework of Good Governance in the Public Sector which was implemented on 1 April 2017. The Council also has a number of officials in statutory posts who monitor governance and the supporting processes during the year. These are the Head of the Paid Service, the Monitoring Officer, the Chief Finance Officer and the Chief Social Work Officer.

The Code of Corporate Governance details 7 core principles which are supported by 20 sub-principles and 91 behaviours and actions that demonstrate good Governance. Elements of good governance included are:

- 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 Council;
- 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;
- 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;
- Developing formal and informal partnerships to allow resources to be used more efficiently and outcomes achieved more effectively;
- Establishing a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes;
- Having a clear vision, which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the Council's overall strategy, planning and other decisions;
- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision;

- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided;
- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets;
- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints;
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources;
- 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;
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively;
- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook;
- Aligning the risk management strategy and policies on internal control with achieving objectives;
- Evaluating and monitoring risk management and internal control on a regular basis;
- Ensuring effective counter fraud and anti-corruption arrangements are in place;
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor;
- Ensuring an audit committee or equivalent group/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 and that its recommendations are listened to and acted upon;
- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance;
- Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on the assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement); and
- Ensuring that recommendations for corrective action made by external auditor are acted upon.

Midlothian Council's financial management arrangements conform to the requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government. The Chief Financial Officer has overall responsibility for the Council's financial arrangements and is professionally qualified and suitably experienced to lead the Council's finance function.

The Council is responsible for conducting, each financial year, a review of the effectiveness of its governance framework, including risk management and the systems for internal control and financial control. The review of the effectiveness of the Council's governance framework is informed by:

- The work of the Corporate Management Team;
- The work of Council managers and Financial Services staff;

- The annual assurance questionnaires that are provided by all Heads of Service;
- An annual review, by Internal Audit, of compliance with the Council's Local Code of Corporate Governance;
- The Internal Audit Manager's annual report which is based on internal audit reports from across the range of Council services;
- Reports from the Council's external auditor; and
- Reports from other external review bodies, agencies and inspectorates.

The key governance arrangements and controls are set out in the local Code of Corporate Governance. Each year, using an assurance template, Internal Audit samples elements in the code to determine whether these are working effectively and that therefore the governance framework is working effectively.

In addition each Head of Service is required to undertake an annual self assessment of their area of responsibility using an assurance template where key elements of governance are examined.

Compliance with the code is then evaluated and revised annually and endorsed as follows:

- Officer Working Group – comprising Section 95 Officer, Monitoring Officer and other appropriate senior officers to review and update self assessment and agree improvement plan if required
- Corporate Management Team – for comment
- Audit Committee – for comment
- Cabinet – for approval
- Council – to endorse
- Leader of Council and Chief Executive– to sign off

The working group's assessment of compliance will be reflected in the Annual Governance Statement which the Leader of the Council and the Chief Executive are required to produce as part of the auditing of the Council's annual accounts. In addition the Council's Internal Audit team will also conduct an annual independent audit reviewing the adequacy, effectiveness and extent of compliance with the code.

This process not only creates an opportunity for the Council to set out its standard for good governance but also to ensure that its governance arrangements are seen to be sound. This is important as governance arrangements in public services are closely scrutinised.

Part 2

Core Principles and sub-principles of Good Governance and how Midlothian Council aims to achieve these

Principle A BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW		
Rationale: 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 across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.		
Sub-principle:	**Behaviours and actions that demonstrate good governance in practice include:**	**Midlothian Council Response**
Behaving with integrity	• 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 • 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) • Leading by example and using the above standard operating principles or values as a framework for decision making and other actions • 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	• Shared Vision and Single Midlothian Plan • Investing in Our Workforce People Policy Reviews • Making Performance Matter – Competency Framework • Code of Conduct (Officers and Elected Members) • Performance and Scrutiny committee framework and remit • Best Value Reviews • Financial Strategy and Monitoring Reports • IJB Structure • Service Planning • Balanced Scorecard • Monitoring Officer • Induction Programmes
Demonstrating strong commitment to ethical values	• Seeking to establish, monitor and maintain the organisation's ethical standards and performance • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	• Single Midlothian Plan and 5 supporting thematic areas • Community Planning Partnership • Great Place to Grow Vision • Service Planning

	• Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation	• Best Value Reviews • Performance and Scrutiny committee framework and remit • Making Performance Matter – Competency Framework • Social commitments within procurement process • Environmental policies and commitments • IJB Structure
Respecting the rule of law	• Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations • 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 • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Dealing with breaches of legal and regulatory provisions effectively • Ensuring corruption and misuse of power are dealt with effectively	• Statutory roles • Legislative/statutory training (e.g.DPA/Equalities) • EQIA embedded within reporting template • Standing Orders • Scheme of Delegation • Scheme of Administration • Monitoring Officer • Fraud and Whistle Blowing Policy and Procedures

Principle B ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT		
Rationale: 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.		
Sub-principle:	**Behaviours and actions that demonstrate good governance in practice include:**	**Midlothian Council Response**
Openess	• Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness • 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 • 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 • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	• Community Planning Partnership • Shaping Our Future • Delivering Excellence Framework • Public Performance Reporting Assessment/Feedback • Publication of Performance Reports, including regularly updated Financial Strategy • Webcasting • Complaints process • Service specific consultation exercises • LGBF Benchmarking data • Partnership working across all Directorates • Joint Working with East Lothian Council
Engaging comprehensively with institutional stakeholders	NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable. • 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 • Developing formal and informal partnerships to allow for	• Shared Vision • Community Planning Partnership • Single Midlothian Plan • Integrated Joint Board • Joint Posts and Funding in place with a range of partners • Cross Agency Self Evaluation/Improvement Planning

	resources to be used more efficiently and outcomes achieved more effectively
	• 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	

Engaging with individual citizens and service users effectively.	• Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes • Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs • Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • Taking account of the impact of decisions on future generations of tax payers and service users	• Shaping our Future • Community Learning External Inspection • Neighbourhood/Locality Planning • Range of consultation and engagement methods adopted across services • Financial Strategy

Principle C DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS		
Rationale: 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 organisation'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. .		
Sub-principle:	**Behaviours and actions that demonstrate good governance in practice include:**	**Midlothian Council Response**
Defining outcomes.	• Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions • 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 • Delivering defined outcomes on a sustainable basis within the resources that will be available • Identifying and managing risks to the achievement of outcomes • Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	• Shared Vision • Single Midlothian Plan • Service Plans • Risk Management Reporting and Framework • Annual Community Planning Development Day and supporting data gathering exercise (Midlothian Profile) • Priority Localities • Key Priorities • Internal and External Audits • Electric Vehicles/Cycles
Sustainable economic, social and environmental benefits.	• Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision • 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 • 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	• Single Midlothian Plan • Service Plans • Key Priorities and Localities • Financial Strategy Reports • Delivering Excellence Framework • Balanced Scorecard • Performance and Scrutiny arrangements • Key approaches of co-production, accessibility and prevention

	• Ensuring fair access to services	

Principle D DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES		
Rationale: Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). 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 frequently to ensure that achievement of outcomes is optimised.		
Sub-principle:	**Behaviours and actions that demonstrate good governance in practice include::**	**Midlothian Council Response**
Determining interventions	• Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided • 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	• Consultation element embedded within reporting template • Service Review approach incorporates Options Appraisal element • Delivering Excellence Framework • People Strategy – Workforce Profiling and Planning informs service planning
Planning Interventions.	• Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets • Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered • Considering and monitoring risks facing each partner when working collaboratively, including shared risks • Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances • 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 • Ensuring capacity exists to generate the information required to review service quality regularly	• Planning and Performance Framework and Cycle • Single Midlothian Plan and key indicators • Service Plans and indicators • Balanced Scorecard indicators • Delivering Excellence Framework • Risk Management process embedded within quarterly performance reporting and Audit Committee reporting • SLG approach to delivering transformational change • LGBF Benchmarking and Family Groups • Regular financial monitoring and reporting (e.g. quarterly reporting)

	• Preparing budgets in accordance with objectives, strategies and the medium term financial plan • Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	
Optimising achievement of intended outcomes	• Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints • Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • 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 • Ensuring the achievement of 'social value' through service planning and commissioning	• Financial Strategy Reports • Delivering Excellence • SLG Programme

Principle E DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT		
Rationale: Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve 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 organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.		
Sub-principle:	**Behaviours and actions that demonstrate good governance in practice include:**	**Midlothian Council Response**
Developing the entity's capacity.	• Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognising the benefits of partnerships and collaborative working where added value can be achieved • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	• Making Performance Matter • Workforce Profiling/Planning • Induction Programmes • Learnpro E-Learning • Health & Safety/Manual Handling – joint opportunities with East Lothian Council • Elected Member Induction • Elected Member development programme and CPD
Developing the capability of the entity's leadership and other individuals .	• 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 • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body • Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads 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 • Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal	• Elected Member Induction • Elected Member Online Toolkit • Leadership Programmes • Leadership Forum • Leadership Exchange • Regular Chief Executive/Leader meetings • Regular Senior Officer and Administration/Opposition meetings • Internal Assessment/External Inspection feedback and improvement plans • Making Performance Matter appraisal process • Employee Assistance Programme • Health and Wellbeing initiatives (e.g. lunch time walks/cycles)

	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
	  ○ 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
	  ○ ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external
	• Ensuring that there are structures in place to encourage public participation
	• Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections
	• Holding staff to account through regular performance reviews which take account of training or development needs
	• 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	

Principle F MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT		
Rationale: 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 are 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 are 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 service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.*		
Sub-principle:	**Behaviours and actions that demonstrate good governance in practice include::**	**Midlothian Council Response**
Managing risk	• Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively • Ensuring that responsibilities for managing individual risks are clearly allocated.	• Risk Management Policy and Process • Risk Management Guidance • Risk Management Group • Corporate and Service Risk Registers
Managing performance .	• Monitoring service delivery effectively including planning, specification, execution and independent post implementation review • 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 • Ensuring an effective scrutiny or oversight function is in place which provides 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	• Quarterly Performance Reporting • Balanced Scorecard • Performance and Scrutiny arrangements • Internal Audit Plans/Reports • External Audit Plans/Reports • Audit Committee Programme

	making • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)	
Robust internal control	• Aligning the risk management strategy and policies on internal control with achieving objectives • Evaluating and monitoring risk management and internal control on a regular basis • Ensuring effective counter fraud and anti-corruption arrangements are in place • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: o provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment o that its recommendations are listened to and acted upon	• Internal Audit Assessments • Fraud and corruption policies and reporting • Annual assessments/assurance on Code of Corporate Governance by Internal Audit • Audit Committee structure and remit
Managing data	• Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies • Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	• Range of systems for managing data including Covalent • IT policies and e-learning for Data Protection • Password protected equipment and tools • Internal Audit Plan
Strong public financial management	• Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance • Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	• External Audit assessment • Financial Strategy Reports • Quarterly reporting financial element embedded

Principle G IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY		
Rationale: 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.		
Sub-principle:	**Behaviours and actions that demonstrate good governance in practice include:**	**Midlothian Council Response**
Implementing good practice in transparency	• Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate • 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	• Public Performance Reporting Web Pages/Assessment • Report Template • Use of Infographics (Shaping Our Future/Integrated Health and Social Care) • Balanced Scorecard
Implementing good practices in reporting	• Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensuring members and senior management own the results reported • Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate • 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	• Report Template • Quarterly Performance Reporting • Performance and Scrutiny arrangements • Annual review of Code of Corporate Governance by Internal Audit • Annual Governance Statement • Balanced Scorecard • Community Planning Partnership Reporting • Financial Strategy Reports
Assurance and effective accountability	• Ensuring that recommendations for corrective action made by external audit are acted upon • Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that	• External Audit Improvement Plan • Internal Audit Actions and Reporting • External Inspection Reports • Annual Governance Statement • Service Level Agreements/Contracts

	recommendations are acted upon • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met	