

## Local Code of Governance



## 1 Definition of Corporate Governance

Corporate governance is the system by which an organisation directs and controls its functions and relates to its communities.

The “systems” referred to are the policies, management systems, procedures and structures that together determine and control the way in which the Council manages its business, formulates its strategies and objectives and sets about delivering services to meet those objectives.

## 2 Principles of Corporate Governance.

In undertaking all council work, and exercising community leadership responsibilities the Council will have regard for the four principles of good corporate governance.

Openness	Openness is required to ensure that stakeholders can have confidence in the decision making and management processes of the Council and in the approach of the individuals within it. Being open in the disclosure of information leads to effective and timely action and lends itself to necessary scrutiny.
Inclusivity	An inclusive approach ensures that all stakeholders and potential stakeholders have the opportunity to engage effectively in the decision-making processes and actions of the Council.
Integrity	Integrity is about straightforward dealing. It is based upon honesty, selflessness and objectivity, and high standards of propriety and probity in the stewardship of public funds and management of the Council's affairs.
Accountability	Accountability is the process whereby the Council, members and staff are responsible for their decisions and actions including their stewardship of public funds and all aspects of performance and submit themselves to appropriate external scrutiny.

Effective leadership is acknowledged as an over-arching principle to Corporate Governance and the other principles can only be achieved if effective leadership is demonstrated by the Council through:

Providing vision for its community and leading by example in its decision-making and other processes and actions.

Members and officers conducting themselves in accordance with high standards of conduct.

## 3 Governance Policy.

In order to meet the principles of corporate governance, above, the Council will apply practices to support the Policy within this Code across the six themes set out in the following pages.

## 4 Statement of Assurance.

The Council will publish on a timely basis, annually, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice.

## Theme 1. Organisation purpose and community focus.

The Council will :

- Ensure that a vision for its local communities and strategic plans, priorities and targets are developed through robust mechanisms and in consultation with the local community and these are clearly articulated and disseminated to guide people's actions and decisions at all levels.
- When working in partnership ensure that there is a common vision underpinning the work of the partnership that is understood and agreed by all partners.
- Constantly review the decisions it takes, ensuring that they further the organisation's purpose and contribute to intended outcomes for citizens and service users.
- Publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the Council's activities, achievements, service delivery performance and plans to maintain and improve service delivery.
- Set standards and targets for performance in the delivery of services on a sustainable basis and with the inclusion of policies for equality.
- Put in place sound systems for providing management information for measurement of value for money and for allocating resources according to priorities.
- Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans for delivery of effective services.

## Theme 2. Structures and roles

The Council will :

- Put in place clearly documented protocols governing relationships between members and officers.
- Ensure that members meet on a formal basis regularly to set strategic direction of the authority and to monitor service delivery.
- Put in place clearly documented and understood management processes for policy development, implementation and review and for decision-making, monitoring, scrutiny and control and reporting; and formal procedural and financial regulations to govern the conduct of the authority's business.
- Ensure that the role of the executive members individually are formally defined in writing, to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole.
- Ensure that the roles and responsibilities of all members of the local authority together with the terms of their remuneration, and its review by independent panel, are defined clearly and available to the public.
- Ensure that the Chief Executive is made responsible to the Council for all aspects of operational management and subsequently the role of the Leader is discussed and understood early in the relationship.
- Ensure that the Chief Finance Officer is made responsible to the Council for all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of financial control.
- Ensure that the Monitoring Officer is made responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with.
- Ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review are defined clearly.
- Adopt clear protocols and codes of conduct to ensure that officers and members support community political leadership within the policies of the whole council and in the public interest to the highest standard of probity.
- Monitor and maintain a constitution for determining a scheme of delegated and reserved powers, to include a schedule of matters reserved for collective decision of the authority.
- Ensure that appropriate committees are maintained for reviewing the management arrangements at the top of the organisation.
- Develop partnership working governance arrangements to include clarity about legal status; roles and responsibilities; and authority to make partnership decisions.

### Theme 3. Promotion and demonstration of good governance values.

The Council will :

- Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers and agents of the authority are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with.
- Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.
- Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice.
- Ensure that an effective system is in place for staff and for other stakeholders to report concerns and have their rights protected.
- Develop and maintain effective shared values for the organisation and its staff for use as a guide to decision making and developing trust internally as well as with partners.
- Provide for an effective conduct committee to raise awareness and take the lead in ensuring high standards of conduct.

## Theme 4. Transparent decision making and effective risk management

The Council will :

- State clear objectives for its decisions - being explicit about rationale and considerations on which decisions are based and about the impact and consequences of decisions.
- Put in place arrangements to ensure that members have access to all relevant information via the content of the Committee report and/or access to senior officers of the Council; professional legal, financial and other advice; and resource as necessary to enable them to make informed and effective decisions.
- Assess possible effects of risks, implement appropriate responses, include findings of other inspections and report publicly on the effectiveness of risk management maximising opportunities and use of legal powers to the full benefit of citizens.
- Put in place effective arrangements for review of risk management and internal control arrangements to ensure each is embedded into the culture of the organisation.
- Develop and maintain an independent governance committee for discharge of functions appropriate to maintaining and monitoring an effective governance framework.
- Develop and maintain an effective conduct committee for decision-making and awareness raising on standards issues.

## Theme 5. Capacity and capability for governance

The Council will :

- Set out clearly the skills and perspectives that are most helpful to a role for members and senior officers.
- Collectively and individually have responsibility for identifying and addressing their development needs, including the ability to challenge and recognise the need for outside expertise.
- Introduce development plans to encourage contribution and participation by members and officers.
- Put in place arrangements to ensure that members and officers receive proper and ongoing training for their specific and general roles.
- Ensure that services and partnerships are delivered by trained and experienced people and that capacity is sufficient to adequately meet service/partnering needs.

## Theme 6. Accountability and engagement with stakeholders.

The Council will:

- Produce a clear policy on the types of issues the authority will meaningfully consult or engage the public and service users.
- Put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the Authority and put in place appropriate monitoring processes to ensure that they continue to work in practice.
- Publish on a timely basis an annual report presenting an objective and understandable account of its financial position and performance separately.
- Adopt a clear policy on when and how it consults with and involves staff and representatives in decision-making.
- Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice.
- Make an explicit commitment to openness in all of its dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by their actions and communications deliver an account against that commitment.
- Welcome feedback from customers, citizens and stakeholders and respond quickly and reasonably.
- Exercise leadership through a robust scrutiny function which effectively engages local people and stakeholders and develops constructive accountability relationships.
- Produce an annual report on scrutiny function activity.
- When working in partnership ensure that consultation is planned with regard to methodology, target audience and required outcomes.