Audit and Standards Committee – 30 June 2015

Code of Corporate Governance

Recommendations

1.   To note that following review by the Council's Corporate Governance Working Group, no material changes are proposed to the current Code of Corporate Governance (Appendix 1) or Single Sheet Local Framework (Appendix 2).

2.   To note the progress made on implementing the Corporate Governance Action Plan 2014/15 (Appendix 3).

3.   To approve the Corporate Governance Action Plan 2015/16 (Appendix 4).

Joint Report of the Director of Democracy, Law and Transformation and the Director of Finance and Resources

Background

4   The annual review of the Code of Corporate Governance (and Single Sheet Local Framework) has been undertaken by the Council's Corporate Governance Group and the conclusion reached that no material changes are proposed to the Council's over-arching Code of Corporate Governance (Appendix 1) or the Single Sheet Local Framework (Appendix 2).

Progress against the Action Plan 2014/15

5.   Progress against the Action Plan 2014/15 is reproduced at Appendix 3.

Development of the Action Plan 2015/16

6.   The Action Plan 2015/16 is reproduced at Appendix 4.

Equalities and Legal and Climate Change Implications

7.   There are no direct implications arising from this report.

Resource and Value for Money Implications

8.   Any new (significant) costs arising from Action Plans that cannot be contained within existing budgets will need to be considered within the Medium Term Financial Strategy (MTFS).

Risk Implications

9.   Good corporate governance is key to efficient and effective service delivery and will assist the Council in promoting its image with key stakeholders.

Report author

Author's Name: Jon Waller Ext No. 276380.

List of Background Documents:

CIPFA / SOLACE Publication: Delivering Good Governance in Local Government: Framework – Addendum December 2012

CIPFA / SOLACE Publication: Delivering Good Governance in Local Government: Guidance Note for English Authorities – 2012 Edition

STAFFORDSHIRE COUNTY COUNCIL - CODE OF CORPORATE GOVERNANCE

Introduction

The County Council has adopted a Code of Corporate Governance based upon the CIPFA / SOLACE document entitled "Delivering Good Governance in Local Government: Framework.

What do we mean by Governance?

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

The Corporate Governance framework consists of six core principles:

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

- Members and officers working together to achieve a common purpose with clearly defined functions and roles

- Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

- Developing the capacity and capability of members and officers to be effective

- Engaging with local people and other stakeholders to ensure robust public accountability

The County Council's Code of Corporate Governance specifically identifies the actions to be taken in relation to each of the six core principles. On a more practical basis, and in order to assist the reader, a single sheet which defines the local framework by reference to key documents and contributory processes is detailed at the end of the Code.

The Audit and Standards Committee is responsible for approving this Code and ensuring it is kept up to date by reviewing its operation on an annual basis.

Actions to be taken by the County Council in relation to each principle of corporate governance

Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

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The County Council will:

- Develop and promote the authority's purpose and vision

- Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements

- Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners

- Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance

- Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available

- Put in place effective arrangements to identify and deal with failure in service delivery

- Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively.

- Measure the environmental impact of policies, plans and decisions

Members and officers working together to achieve a common purpose with clearly defined functions and roles

<u>The County Council will</u>

- Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice

- Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers

- Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for the collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required

- Make a Chief Executive responsible and accountable to the authority for all aspects of operational management

- Develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained

- Make a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control

- Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with

- Develop protocols to ensure effective communication between members and officers in their respective roles

- Set out the terms and conditions for the remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel

- Ensure that effective mechanisms exist to monitor service delivery

- Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated

- When working in partnership, ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority

- When working in partnership;
  o ensure that there is clarity about the legal status of the partnership
  o ensure that representatives of organisations both understand and make clear to all other parties the extent of their authority to bind their organisation to partner decisions

Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

<u>The County Council will</u>

- Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect

- Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols

- 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

- Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners

- Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice

- Develop and maintain an effective audit and standards committee

- Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority

- In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

<u>The County Council will</u>

- Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible

- Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based

- Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice

- Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee

- Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints

- Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications

- Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately

- Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their jobs

- Ensure that effective arrangements for whistle blowing are in place to which officers, staff and all those contracting with or appointed by the authority have access

- Actively recognise the limits of lawful activity placed on the authority by, for example, the ultra vires doctrine but also strive to utilise its powers to the full benefit of the community

- Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on the authority by public law

- Observe all specific legislative requirements placed upon the authority, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into its procedures and decision making processes

Developing the capacity and capability of members and officers to be effective

<u>The County Council will</u>

- Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis

- Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority

- Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively

- Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed

- Ensure that effective arrangements are put in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs

- Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority

- Ensure that career structures are in place for members and officers to encourage participation and development

Engaging with local people and other stakeholders to ensure robust public accountability
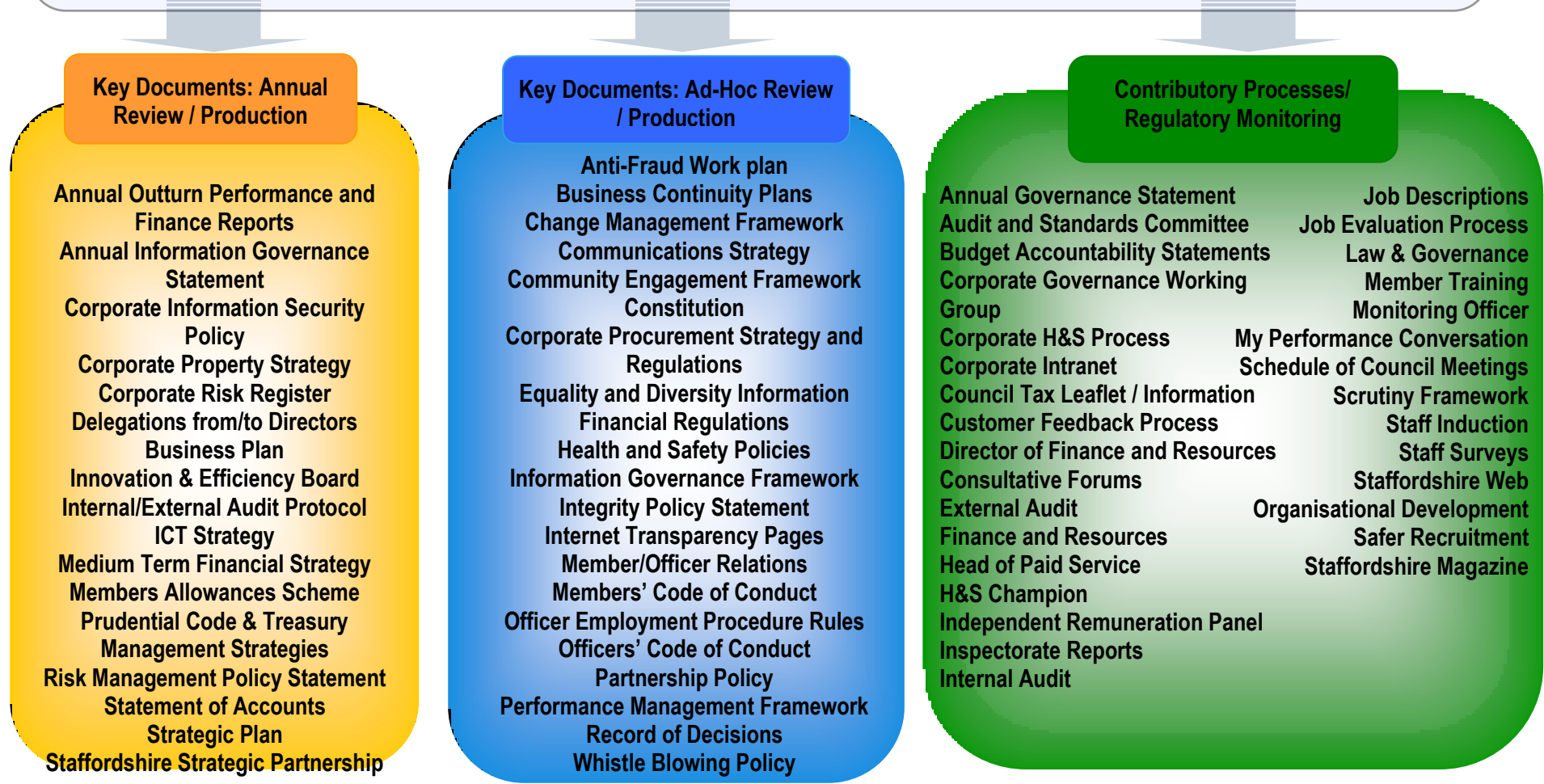
<u>The County Council will</u>

- Make clear to itself, all staff and the community to whom it is accountable and for what

- Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required

- Produce an annual report on the activity of the scrutiny function

- Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively

- Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands

- Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result

- On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period

- Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so

- Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

Staffordshire County Council Corporate Governance Framework
Principles, Statutory Obligations and Organisational Objectives

Meeting Statutory Obligations	Implementing local vision	Working together to achieve a common purpose	Adherence to Ethical Values
Meeting Organisational Objectives	Taking effective decisions	Developing Members and Officers	Maintaining a Community Focus

Corporate Governance comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities

Key Documents: Annual Review / Production

Annual Outturn Performance and Finance Reports
Annual Information Governance Statement
Corporate Information Security Policy
Corporate Property Strategy
Corporate Risk Register
Delegations from/to Directors
Business Plan
Innovation & Efficiency Board
Internal/External Audit Protocol
ICT Strategy
Medium Term Financial Strategy
Members Allowances Scheme
Prudential Code & Treasury Management Strategies
Risk Management Policy Statement
Statement of Accounts
Strategic Plan
Staffordshire Strategic Partnership

Key Documents: Ad-Hoc Review / Production

Anti-Fraud Work plan
Business Continuity Plans
Change Management Framework
Communications Strategy
Community Engagement Framework
Constitution
Corporate Procurement Strategy and Regulations
Equality and Diversity Information
Financial Regulations
Health and Safety Policies
Information Governance Framework
Integrity Policy Statement
Internet Transparency Pages
Member/Officer Relations
Members' Code of Conduct
Officer Employment Procedure Rules
Officers' Code of Conduct
Partnership Policy
Performance Management Framework
Record of Decisions
Whistle Blowing Policy

Contributory Processes/ Regulatory Monitoring

Annual Governance Statement
Audit and Standards Committee
Budget Accountability Statements
Corporate Governance Working Group
Corporate H&S Process
Corporate Intranet
Council Tax Leaflet / Information
Customer Feedback Process
Director of Finance and Resources
Consultative Forums
External Audit
Finance and Resources
Head of Paid Service
H&S Champion
Independent Remuneration Panel
Inspectorate Reports
Internal Audit

Job Descriptions
Job Evaluation Process
Law & Governance
Member Training
Monitoring Officer
My Performance Conversation
Schedule of Council Meetings
Scrutiny Framework
Staff Induction
Staff Surveys
Staffordshire Web
Organisational Development
Safer Recruitment
Staffordshire Magazine

CORPORATE GOVERNANCE ACTION PLAN 2014/15

Carried Forward from Previous Years

Action	SLT Lead Officer	Progress
Review high level governance arrangements to make sure they continue to be fit for purpose in light of the increasingly and integrated partnership environment in which the County Council operates	Corporate Governance Working Group	On-going The Council's relationship with SSOTP has been refreshed under its new 75 agreement. Following the appointment of Kier, a Strategic Property Partnership Board has been established. A new governance framework has been put in place for the Infrastructure+ partnership
Review ICT Strategy	Director of Finance and Resources	Deferred pending outcome of SAP review
Review Procurement Regulations and ensure consistency with commissioning intentions	Director of Finance and Resources	Deferred pending assessment of implications arising from the Public Contract Regulations 2015
Review Financial Regulations	Director of Finance and Resources	Deferred
Review Director decision making Process (e.g. recording of significant decisions)	Director of Democracy, Law and Transformation	Completed
Review Integrity Policy Statement	Corporate Governance Working Group	Completed

New Actions

Action	SLT Lead Officer	Progress
Review Corporate Information Security Policy	Director of Democracy, Law and Transformation	Completed
Review progress on implementing the requirements of the Bribery Act 2010	Director of Finance and Resources	Completed

Review format and content of the Corporate Risk Register	Corporate Governance Working Group	Corporate Risk Register reviewed – Further Consideration required on process to capture operational risks emanating from the Business Plan
Review Risk Management Policy Statement	Corporate Governance Working Group	Deferred pending completion of above process
Review process for communicating key governance documents	Corporate Governance Working Group	On-going

CORPORATE GOVERNANCE ACTION PLAN 2015/16

Carried Forward from Previous Years

Action	SLT Lead	By When
Review high level governance arrangements to make sure they continue to be fit for purpose in light of the increasingly and integrated partnership environment in which the County Council operates	Corporate Governance Working Group	On-going
Review ICT Strategy	Director of Finance and Resources	31 March 2016
Review Procurement Regulations and ensure consistency with commissioning intentions	Director of Finance and Resources	30 September 2015
Review Financial Regulations	Director of Finance and Resources	31 March 2016
Review format and content of the Corporate Risk Register with specific reference to operational risks emanating from the Business Plan	Corporate Governance Working Group	30 September 2015
Review Risk Management Policy Statement	Corporate Governance Working Group	31 December 2015
Review process for communicating key governance documents	Corporate Governance Working Group	On-going

New Actions

Action	SLT Lead	By When
Review Corporate Property Strategy to include defining the role of the Strategic Property Partner	Director of Finance and Resources	31 March 2016
Review of compliance with Local Government Code of Transparency 2015	Director of Law, Democracy and Transformation	31 January 2016

Review each principle of corporate governance against the requirements of a Commissioning organisation	Corporate Governance Working Group	31 March 2016