Bromsgrove District Council

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Local Code of Corporate Governance

BUILDING PRIDE

1. Introduction

Corporate Governance "is the system by which organisations are directed and controlled" (Cadbury report 1992). The main document regarding corporate governance within Bromsgrove District Council are the Articles of Constitution and their associated procedures and frameworks, which was adopted during 2002 and updated in 2007.

This code sets out and describes the Council's commitment to corporate governance, and identifies the arrangements to ensure its ongoing effective implementation and application in all aspects of the Council's work.

In order to achieve effective corporate governance, the Council has adopted the guidance contained in the Guidance and Framework documents published by CIPFA/SOLACE early in 2001, entitled "Corporate Governance in Local Government", henceforth referred to as the CIPFA/SOLACE Framework.

Bromsgrove District Council is committed to the principles of good corporate governance and confirms its ongoing commitment and intentions through the development, adoption and continued maintenance of a "Local Code of Corporate Governance".

This document, Bromsgrove's "Local Code of Corporate Governance", therefore sets out and describes the Council's commitment to corporate governance, and identifies the arrangements that have been made, and will be made, to ensure its ongoing effective implementation and application in all aspects of the Council's work.

2. What is Corporate Governance?

Corporate governance is "the system by which Local Authority's direct and control their functions and relate to their communities".

Bromsgrove District Council recognises that effective local government relies upon establishing and maintaining the public's confidence in the elected councillors and staff and that the setting of high standards of self governance provides a clear and demonstrable lead to both our existing and potential partners, and therefore provides the basis of effective community governance.

3. What is a Local Code and why is it needed?

Bromsgrove District Council is committed to the principles of good corporate governance and recognises the importance of operating in an open and accountable manner and demonstrating high standards of conduct and self governance.

By publishing a Local Code we are able to show how the principles of good corporate governance will be applied by Bromsgrove District Council and we can demonstrate our commitment to these principles, namely:

- **openness** and **inclusivity.**
- **integrity.**
- **accountability.**

Fundamental to these principles is the concept of **leadership** and **effective** and **up to date** systems and processes.

This "Local Code of Corporate Governance" covers the five key aspects of our business, specifically:

Community Focus - by demonstrating that the Council is working for and with the communities, exercising community leadership and promoting the "well being" of the area.

Service Delivery Arrangements - by having arrangements in place to deliver the right services to the right people in the right way and making sure we continue to improve.

Structures and Processes - by maintaining an appropriate political and managerial structure, as well as having up to date and effective processes that support decision making.

Risk Management and Internal Control - by having arrangements in place to identify, manage and minimise risk.

Standards of Conduct - by regulating the behaviour of members and officers and promoting the highest standards of conduct.

4. How will the Council know it has "good corporate governance"?

To satisfy ourselves that our approach is both adequate and effective, we will:

- Set out a series of local procedures and practices which create a framework for good corporate governance in line with best practice.

- Identify and agree the policies and procedures that are essential to demonstrating compliance with this Code.

- Establish systems, processes and documentation to provide evidence that these are effective and up to date.

- Nominate both a Member and an Officer "Corporate Governance Champion" to promote and support effective corporate governance arrangements.

As further evidence of our corporate commitment to good governance we will issue an annual statement of assurance. This statement will set out the arrangements that we have put in place to improve governance and also highlight those areas requiring further work.

This statement can then be used to gauge our year on year improvement in implementing a governance framework and our compliance with our Local Code. This statement will be published within our annual Best Value Performance Plan.

5. Conclusion

Bromsgrove District Council is fully committed to the principles of corporate governance and through the measures outlined within this "Local Code of Corporate Governance" will ensure that adequate arrangements are made for its continued implementation, monitoring and review.

Signed: **Signed:**

K. Dicks   *R. Hollingworth*

Chief Executive and Officer Champion

Leader of the Council and Member Champion

REQUIREMENTS OF THE LOCAL CODE

Dimension 1: Community Focus

When carrying out our general and specific duties and responsibilities, including our ability to exert a wider influence, we undertake to:

- Work for and with our community.
- Exercise leadership in our local community, where appropriate.
- Act in an 'ambassadorial' role to promote the well-being of the area through the maintenance of effective arrangements:
  - or explicit **accountability** to our stakeholders for our performance and our **effectiveness** in delivering services and the sustainable use of resources.
  - to demonstrate **integrity** in our dealings in building **effective** relationships and partnerships with other public, voluntary and private agencies.
  - to demonstrate **openness** in all our dealings.
  - to demonstrate **inclusivity** by communicating and engaging with all sections of our community to encourage active participation.
  - to develop and articulate a clear and **up to date** vision and corporate strategy in response to community needs.

We will demonstrate these arrangements by the following:

Requirement	Achieved
Publish an annual report presenting an objective, understandable account of our: • activities & achievements. • financial position and performance. This report will include statements: • explaining our responsibility for the financial statements. • confirming that we comply with relevant standards and codes of corporate governance. • on the effectiveness of our system for risk management and internal control.	Annual Accounting and Financial Statements and Financial Report Best Value Performance Plan Budget Book Corporate Plan Council Plan 2007-2010 Council Tax Leaflet Risk Management Strategy Treasury Management Strategy
Publish an annual performance plan presenting an objective, balanced and understandable account and assessment of: • our current performance in service delivery. • our plans to maintain and improve service delivery. •	Best Value Performance Plan Community Plan Corporate Plan Council Plan 2007-2010 Improvement Plan Local Development Framework

Introduce arrangements for the independent review of the financial and operational reporting processes.	Audit / Scrutiny / Performance Management Boards Executive Cabinet External Audit Letter External Inspectorate Reports Internal Audit Function Overview and Scrutiny Procedure Rules Standards Committee
Introduce arrangements to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the Council's work. Additionally, implement an appropriate monitoring process to ensure that the arrangements work in practice.	Best Value Performance Plan Community Plan Corporate Plan Council Internet and Intranet Sites Council Plan 2007-2010 Customer Feedback Policy and Procedure Customer Panel Inclusive Equalities Scheme Local Development Framework Local Strategic Partnerships Section Business Plans Waste Minimisation Plan
A commitment to openness in all of our dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so. By our actions and communications deliver an account against this commitment.	Articles of Constitution Council Results Corporate Plan Council Plan 2007-2010 Improvement Plan Publication of Council Minutes Scheme of Delegation Communications Strategy
Clear channels of communication with all sections of our community and other stakeholders, and have proper monitoring arrangements to ensure that these channels operate effectively.	Articles of Constitution Communications Working Group Communications Strategy Community Plan Council Plan Council Internet and Intranet Sites Customer Feedback Policy and Procedure Customer First Strategy Customer Panel Inclusive Equalities Scheme Local Strategic Partnerships Press and Media Section Publication of Council Reports Attendance at PACT meetings

	2 Neighbourhood Management pilots Chats with the Chief
The vision for our local communities, strategic plans, priorities and targets, are developed through robust mechanisms with the local community and other key stakeholders, and that they are clearly articulated and disseminated.	Council Results Community Strategy Council Plan Housing Strategy 2006 - 2011 Improvement Plan Inclusive Equalities Scheme Local Development Framework Performance Plans Section Business Plans Treasury Management Strategy Value For Money Strategy

Dimension 2:   Service Delivery Arrangements

We will seek continuous improvement in our service delivery. We will endeavour to implement agreed policies and make decisions as quickly as possible. We will do this by implementing and maintaining arrangements which:

- discharge our *accountability* for service delivery at a local level.
- ensure *effectiveness* through setting targets and measuring performance.
- demonstrate *integrity* in dealings with service users and in developing partnerships to ensure the 'right' provision of services locally.
- demonstrate *openness* and *inclusivity* through consulting with our key stakeholders, including service users.
- are kept *up to date* and can be adapted to accommodate change and user needs.

We will demonstrate these arrangements by the following:

Requirement	Achieved
Set standards and targets for performance in service delivery on a sustainable basis and with reference to equality policies.	Council Results Customer First Strategy Health & Safety Awareness Training Improvement Plan Inclusive Equalities Scheme Internal Control Framework IT Security Policy Performance Plans Section Business Plans Training Directory

Introduce sound systems for providing management information for performance measurement purposes.	Integrated Finance and Performance Reports Internal Audit Function Performance Management Performance Plans Purchasing Order Processing (POP) Project Cash Receipting Project
Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans.	Best Value Performance Plan External Audit Letter Improvement Plan Integrated Finance and Performance Reports Performance Plans Section Business Plans
Introduce arrangements to allocate resources according to priorities.	Asset Management Plan Budget Process Capital Programme Capital Strategy 2007 – 2010 Council Plan 2007-2010 Integrated Finance and Performance Reports Treasury Management Strategy Value For Money Strategy
Foster effective relationships and partnerships with other public, private and voluntary sector agencies, and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community. Introduce processes to ensure that they operate effectively in practice.	Council Plan External Audit Function External Inspectorate Reports Housing Strategy 2006 - 2011 Inclusive Equalities Scheme Local Development Framework Local Strategic Partnerships Performance Plans Waste Minimisation Plan
Respond positively to external audit and statutory inspectors' recommendations and put in place arrangements for the effective implementation of agreed actions.	Annual Audit Letter External Inspectorate Reports Internal Audit Reports

Dimension 3:   Structures and Processes

We need to establish effective political and managerial structures and processes to govern decision making and the exercise of authority within the Council. We will therefore maintain arrangements to:

- define the roles and responsibilities of members and officers to ensure *accountability*, clarity and ordering of our business.
- ensure that there is proper scrutiny and review of all aspects of performance and *effectiveness*.
- demonstrate *integrity* by ensuring a proper balance of power and authority.
- document clearly such structures and processes and to ensure that they are communicated and understood to demonstrate *openness* and *inclusivity*.
- ensure such structures and processes are kept *up to date* and adapted to accommodate change.

We will demonstrate these arrangements by the following:

Requirement	Achieved
Introduce clearly documented protocols governing relationships between members and officers.	Articles of Constitution Members Codes of Conduct Officer – Member Protocol Officer Employment Procedure Rules
The roles and responsibilities of members and officers are clearly defined.	Articles of Constitution Job Descriptions Scheme of Delegation
Ensure that members meet regularly on a formal basis to set the strategic direction for the authority and to monitor service delivery.	Articles of Constitution Executive Cabinet Meetings Calendar Performance Management Standards Committee
Introduce a scheme of delegated powers, which includes those powers that are specifically reserved for the collective decision of the authority or specific members.	Articles of Constitution Scheme of Delegation
Introduce clear, documented and understood processes for policy development, implementation, review, decision-making, monitoring, control and reporting; and formal procedural and financial regulations to govern the conduct of the Council's business.	Medium Term Financial Plan Council Procedure Rules Financial Regulations Integrated Finance and Performance Reports Internal Control Framework IT Security Policy

	Money Laundering Policy Performance Management Performance Plans Purchasing Order Processing (POP) Project Cash Receipting Project Scheme of Delegation Spatial Project Treasury Management Strategy Value For Money Strategy
Introduce an effective member scrutiny process to ensure accountability of decision makers, support the development of policies and initiatives and contribute to continuous improvement in service delivery.	Council Procedure Rules Executive Cabinet Overview and Scrutiny Procedure Rules Standards Committee
Ensure that members are properly trained for their roles and have access to all relevant information, advice and resources as necessary to enable them to carry out their roles effectively.	Articles of Constitution Members Codes of Conduct Member Development Programme
Ensure that the role of any executive member(s) is 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.	Articles of Constitution Scheme of Delegation
Ensure that the roles and responsibilities of all members, together with the terms of their remuneration and its review are clearly defined in writing.	Articles of Constitution Members Codes of Conduct Scheme of Members Allowances
The Chief Executive will be responsible for all aspects of operational management.	Articles of Constitution Conditions of Employment / Service Functions of the Head of Paid Service Scheme of Delegation
A senior officer will be responsible 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.	Annual Accounting Statement Articles of Constitution Functions of the Chief Financial Officer Scheme of Delegation Financial Regulations

A senior officer will be responsible for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with.	Articles of Constitution Functions of the Monitoring Officer Scheme of Delegation
Ensure that roles and responsibilities of all our senior officers, together with the terms of their remuneration and its review, are defined clearly and in writing.	Appraisal Process Codes of Conduct Conditions of Employment / Service Employee Handbook Equalities Policy Job Descriptions Officer Employment Procedure Rules Statutory Officer responsibilities
Adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership are acknowledged and resolved.	Articles of Constitution Codes of Conduct Employee Handbook Members Codes of Conduct Officer – Member Protocol

Dimension 4:   Risk Management & Internal Control

We need to establish and maintain a systematic strategy, framework and processes for managing risk. These arrangements will:

- include making public statements to our stakeholders on our risk management strategy, framework and processes to demonstrate our **accountability**.
- include mechanisms for monitoring and reviewing **effectiveness** against agreed standards and targets and the operation of controls in practice.
- demonstrate **integrity** by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks.
- display **openness** and **inclusivity** by involving all those associated with planning and delivering services, including our partners.
- include mechanisms to ensure that the risk management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains **up to date**.

We will demonstrate these arrangements by the following:

Requirement	Achieved
Develop and maintain robust systems for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services.	Council Results Member Reports Performance Plans Risk Management Strategy Scheme of Delegation
Introduce effective risk management systems, including systems of internal control and an internal audit function, to ensure compliance with all applicable statutes, regulations and relevant statements of best practice This will ensure that public funds are properly safeguarded and are used economically, efficiently and effectively, and in accordance with the statutory and other authorities that govern their use.	Asset Management Plan Comprehensive Performance Assessment Internal Audit Charter Internal Audit Plan Internal Control Framework Money Laundering Policy Performance Management Risk Management Strategy Value For Money Strategy
Services are delivered by trained and experienced people.	Appraisal Process Job Descriptions Training Directory
Introduce effective arrangements for an objective review of risk management and internal control, including internal audit.	External Audit Function Internal Audit Function Internal Control Framework Performance Management

Maintain an objective professional relationship with our external auditors and statutory inspectors.	External Audit Letter Internal Audit Manual
Publish on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice.	Best Value Performance Plan Annual Accounting and Financial Statements and Financial Report

Dimension 5:   Standards of Conduct

The openness, integrity and accountability of individuals within the Council form the cornerstone of effective corporate governance. The Council's reputation depends on the standards of behaviour of everyone in it, whether members, employees or agents.

Therefore, members and officers will:

- exercise leadership by conducting themselves as role models for others within the authority to follow.
- define the standards of personal behaviour that are expected from members and staff and all those involved in service delivery, and put in place arrangements to ensure:
    - *accountability*, through establishing systems for investigating breaches and disciplinary problems and taking actions where appropriate, including arrangements for redress.
    - *effectiveness* in practice through monitoring their compliance.
    - ensure that objectivity and impartiality are maintained in all relationships to demonstrate *integrity*.
    - ensure that such standards are documented and clearly understood to display *openness* and *inclusivity* and are reviewed on a regular basis to ensure that they are *kept up to date*.

We will demonstrate these arrangements by the following:

Requirement	Achieved
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. Introduce appropriate systems and processes to ensure that they are complied with.	Anti Fraud and Corruption Strategy Articles of Constitution Customer First Strategy Employee Handbook Gifts and Hospitality Code IT Members Code IT Security Policy

	Statement of Licensing Policy Members Codes of Conduct Members Training Program Money Laundering Policy Officer – Member Protocol Planning Code of Practice Training Directory
Introduce arrangements to ensure that members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. Introduce appropriate processes to ensure that they continue to operate in practice.	Anti Fraud and Corruption Strategy Articles of Constitution Benefit Fraud Prosecution Policy Contracts Procedure Rules Customer Feedback Policy and Procedures Customer First Strategy Gifts and Hospitality Code IT Members Code Statement of Licensing Policy Members Codes of Conduct Money Laundering Policy Officer – Member Protocol Planning Code of Practice Revenues Verification & Fraud Strategy
Procedures and operations are designed in conformity with appropriate ethical standards, and we will monitor their continuing compliance in practice.	Articles of Constitution Inclusive Equalities Scheme Members Codes of Conduct Officer – Member Protocol IT Security Policy
Introduce arrangements for whistle blowing to which staff and those contracting with the Council have access.	Confidential Reporting Code Employee Handbook