

HEREFORDSHIRE COUNCIL CODE OF CORPORATE GOVERNANCE

Introduction

1. The Herefordshire Council's Code of Corporate Governance closely follows guidance published jointly by CIPFA/SOLACE and endorsed by the Local Government Association and the Audit Commission. It has been developed in response to the recommendation that Local Authorities draw up their own 'Code of Corporate Governance', a document that describes the system by which the Council directs and controls its functions and relates to its communities. Three key principles underpin Corporate Governance:

Openness and Inclusivity

2. 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 its members and staff. Openness also requires an inclusive approach, which seeks to ensure that all stakeholders and potential stakeholders have the opportunity to engage effectively with the decision-making processes and actions of Herefordshire Council.

Integrity

3. Integrity comprises both straightforward dealing and completeness. It is based upon honesty, selflessness, objectivity and high standards of propriety and probity in the stewardship of public funds and management of the Council's affairs. It is dependent on the effectiveness of the internal control framework and on the personal standards and professionalism of the Members and staff within Herefordshire Council.

Accountability

4. Accountability is the process whereby Herefordshire Council and the 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.
5. The CIPFA/SOLACE guidance identifies five dimensions, which should be covered in a Code:
 - Community Focus;
 - Service Delivery Arrangements;
 - Structures and Processes;
 - Risk Management and Internal Control; and
 - Standards of Conduct.
6. The Council's Code takes each of these dimensions in turn and sets out the ways in which the principles of Corporate Governance will be reflected in each. The Code then identifies the measures, which are already in place within the Council to comply with the requirements set out in the guidance.

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Community Focus

7. Through carrying out our general and specific duties and responsibilities and our ability to exert wider influence, the Council will:
- work for and with their communities;
 - exercise leadership in their local communities where appropriate;
 - to promote the well being of their area through maintaining effective arrangements for explicit accountability to stakeholders for the Council's performance and its effectiveness in the delivery of services and the sustainable use of resources;
 - demonstrate integrity in the Council's dealings in building effective relationships and partnerships with other public agencies and the private/voluntary sectors;
 - demonstrate openness in all their dealings whenever appropriate; and
 - demonstrate inclusiveness by communicating and engaging with all sections of the community to encourage active participation

The Council will:

8. Publish on a timely basis an Annual Report presenting an objective, understandable report of the Council's activities and achievements, financial position and performance. The Annual Report will include statements that:
- explain the Council's responsibility for the financial statements;
 - confirm that the Council complies with relevant standards and codes of Corporate Governance; and
 - explain the effectiveness of the Council's system for risk management and internal control.
9. Publish on a timely basis a Performance Plan presenting an objective, balanced and understandable account and assessment of the Council's current performance in service delivery; and plans to maintain and improve service quality and such plan to be made widely available including access through our website.
10. Regularly review arrangements for the independent review of the financial and operational reporting processes e.g. Internal and external audit review of this code and review of performance management.
11. Regularly review 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 Council and put in place appropriate monitoring processes to

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ensure that they continue to work in practice. The Council has a Community Strategy, "A Sustainable Future for the County". Consultations are coordinated through the Strategy bringing together the shared priorities of local communities, organisations, groups and networks. Feedback from service users will be sought. The Council's website also provides public access to information about the Council. The Council's Performance Plan is also available on the Council's website.

12. 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. This is set out in the Council's publication scheme under FOI available on the Council's website. The Council has a Corporate Complaints Procedure. Complaints, concerns and compliments are reported to the Corporate Management Team.

13. Establish clear channels of communication with all sections of the community and other stakeholders and put in place proper monitoring arrangements to ensure that they operate effectively. Members contact details are made widely available and there is the facility for emailing complaints/compliments and access to services online.

14. Ensure that a vision for the local community and our 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. Periodic Review of Community Strategy. Robust service planning and monitoring mechanisms are in place, focused on Key Performance Indicators, BVPI's and the Council's service Performance Plan.

Service Delivery Arrangements

The Council will:

15. Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies. These are articulated in the Performance Plan of the Council and monitored through IPG reports to Cabinet/SMC. The Council is committed to Corporate Equality Policy and has completed the third year of the Impact Equality Assessments. External audit of the Performance Plan ensures compliance with best practice standards. Targets are set with regard to diversity and performance monitored. The Council has an equality and diversity policy in place. A diversity group has been appointed and Equality Impact assessments completed.

16. Put in place sound systems and regularly review such systems for providing management information for performance management purposes. Performance management and information systems (including performance against KPI and BVPI's and local indicators) are in place, validated by internal and external audit.

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Timely management information is available to Directorates/Heads of Service with reports published on the intranet.

17. Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans. The Performance Plan. Regular reports on performance against targets to Directorates/Cabinet/Portfolio holders/SMC

18. Put in place and regularly review arrangements to allocate resources according to priorities. MTFs, which sets priorities and establishes resource allocation according to the Performance/Business Plan, including consultation with budget holders and CMB. CMB meets regularly to discuss performance against targets, reallocate resources where possible in response to identified needs. The process is scrutinised by SMC and the Audit and Corporate Governance Committee and approved by the Council.

19. Secure Value for Money in the use of its resources. As above Performance/Service Plans. Voluntary and private sector/partnership.

20. Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors and consider outsourcing options, 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. Herefordshire Partnership, LAA, PACTS.

21. Respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions. Audit recommendations reported to CMB and action plan developed to address any such recommendations. Audit findings reported to Audit and Corporate Governance/Standards Committees as appropriate and Cabinet.

Structures and Processes

22. The Council has established effective political and managerial structures and processes to govern decision-making and the exercise of authority within the Council. The Council will maintain arrangements to:
 - define roles and responsibilities of Members and officers to ensure accountability;
 - ensure that there is proper scrutiny and review of all aspects of performance and effectiveness;
 - structures and processes should be clear and communicated and understood to demonstrate openness and inclusivity; and

This will be regularly reviewed to reflect changing requirements and best practice

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The Council will:

23. Put in place and regularly review documented protocols governing relationships between Members and officers. The Constitution, code of conduct and Council Policies. The above are reviewed and monitored by the Standards Committee and the Council.
24. Ensure that the relative roles and responsibilities of Members and senior officers are clearly defined. Ensured by the Council's Scheme of Delegation set out in the Constitution and Code of conduct referred to above.
25. Ensure that Members meet on a formal basis regularly to set the strategic direction of the Council and to monitor service delivery. The Council does so by meeting regularly in an annual cycle and Cabinet/SMC. This structure supports the close involvement of Members in establishing the strategic direction of the Council and monitoring its progress.
26. Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the Council. The Council's scheme of Delegation is in place.
27. Put in place and regularly review its documented and management processes for policy development, implementation and review and decision-making, monitoring, control and reporting. In addition to formal procedural and financial regulations to govern the conduct of the Council's business. The S151 officer ensures that standing orders for the conduct of business and financial regulations are adhered to. The Monitoring Officer ensures compliance with statutory duties, code of conduct with assistance of Standards Committee in appropriate cases. Council policies regularly reviewed by SMT/Heads of service.
28. Put in place and regularly review arrangements for ensuring 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. Package of support for Members led by Corporate and Customer Services, which includes: -
 - Induction Programme of training following election in May 2007;
 - Diversity Training;
 - Member visits to departments;
 - Training programme to be developed monitored by Standards Committee/SMC/Audit; and
 - Access to regular information from the Communications Service, intranet and website.

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29. Ensure that the role of the executive members are formally defined in writing to include responsibility for providing effective strategic leadership to the Council and for ensuring that the Council successfully discharges its overall responsibilities for the activities of the organisation as a whole. Set out in the Constitution of the Council.
30. Ensure that the roles and responsibilities of all Members of the Council, together with the terms of their remuneration and its review, are defined clearly in writing. Terms of remuneration are set out in Members Allowances scheme (to be reviewed by October, 2006).
31. Ensure that the Chief Executive is made responsible to the Council for all aspects of operational management. The Council has a designated Chief Executive as head of the paid service with appropriate job description and authority under the Scheme of delegation.
32. Appoint a Chief Finance Officer under Section 151 of the Local Government Act 1972 who will be responsible to the Council for ensuring that appropriate advice is given to it on all financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial control. The function of the Chief Finance Officer is set out in the Council's Constitution. The Council has a designated s151 Officer and is responsible for ensuring effective financial monitoring; control and reporting systems are in place. Supported by financial regulations, internal audit. Regular financial reports to Audit and Corporate Governance Committee/Cabinet/Council.
33. Appoint a Monitoring Officer who will be 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. The function of the Monitoring Officer is set out in the Council's Constitution. The Council has a designated Monitoring Officer. Standards Committee is responsible for reviewing the operation of the Monitoring Officer role and to ensure high standards of compliance are maintained.
34. Ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are defined clearly in writing. Job descriptions are in place for all senior officers and a scheme of SRDs for reviewing performance. Remuneration is set by the appropriate pay and conditions and maintained through national pay negotiations and reviewed by the Cabinet/Council.

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35. Adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole Council are acknowledged and resolved. The Council has a code of Conduct for members.

Risk Management and Internal Control

The Council will:

36. 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. The Council has a risk management strategy adopted (date to be inserted). A Corporate Risk Register has been developed with SMT. Directorates maintain individual registers, which are regularly reviewed.
37. Put in place and regularly review its risk management systems, including systems of internal control and an Internal Audit function. These arrangements will ensure compliance with all applicable statutes, regulations and relevant statements of best practice and 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. The Council has a Statement on Internal Control, an internal audit function and systems are assessed through audit process.
38. Ensure that services are delivered by trained and experienced people. Job descriptions recognise skills needed to deliver and SRDs set out performance and development for individuals on an annual basis these are reviewed after 6 months to identify training needs. Investors In People is currently being sought.
39. Ensure effective arrangements for an objective review of risk management and internal control, including Internal Audit. Carried out by regular reports to the Audit and Corporate Governance Committee.
40. Maintain an objective and professional relationship with our external auditors and other statutory inspectors. The Council has regular meetings with auditors to determine and facilitate communication.
41. Publish on a timely basis, within the Annual Report, an objective, balanced and understandable statement and assessment of the Council's risk management and internal control mechanisms and their effectiveness in practice.

Standards of Conduct

The Council will:

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42. Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual Members, officers and agents of the Council are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with. The Council has a Code of Conduct governing Member/Officer relations in place. These codes are monitored and reviewed by the Monitoring Officer together with the Standards Committee. The Council has a Whistleblowing Policy currently under review by the Monitoring Officer.
43. Regularly review 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 and put in place appropriate processes to ensure that they continue to operate in practice. The Monitoring Officer maintains and reviews Register of Members/Officers Interests and Hospitality. Procurement procedures are in place.
44. Regularly review arrangements to ensure that our procedures and operations are designed in conformity with appropriate ethical standards and to monitor their continuing compliance in practice. The Council has key policies (for example, Code of Conduct, Whistleblowing, Recruitment etc) are reported to Cabinet/Council. Standards Committee responsible for oversight of compliance and good practice. Complaints, grievance and appeals procedures are in place.
45. Regularly review arrangements for Whistleblowing to which staff and all those contracting with the Council have access. The Council has such a policy in place and published throughout.

Review

46. This policy will be subject to annual review.

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