Herefordshire Council

# Section 1 – Code of Corporate Governance

5.1.1 Introduction

5.1.2 Corporate governance is the term used to describe the systems, processes, culture and values Herefordshire Council has established to ensure we provide the right services, to the right people in a timely, open, and accountable way. Good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to scrutiny with a view to improving performance and managing risk.

5.1.3 This code sets out the framework for maintaining high standards of corporate governance in order to achieve the council's vision of "people, organisations and businesses working together to bring sustainable prosperity and well-being for all, in the outstanding natural environment of Herefordshire."

5.1.4 Principles

5.1.5 Herefordshire Council has adopted seven principles to underpin its governance which interact as shown below:
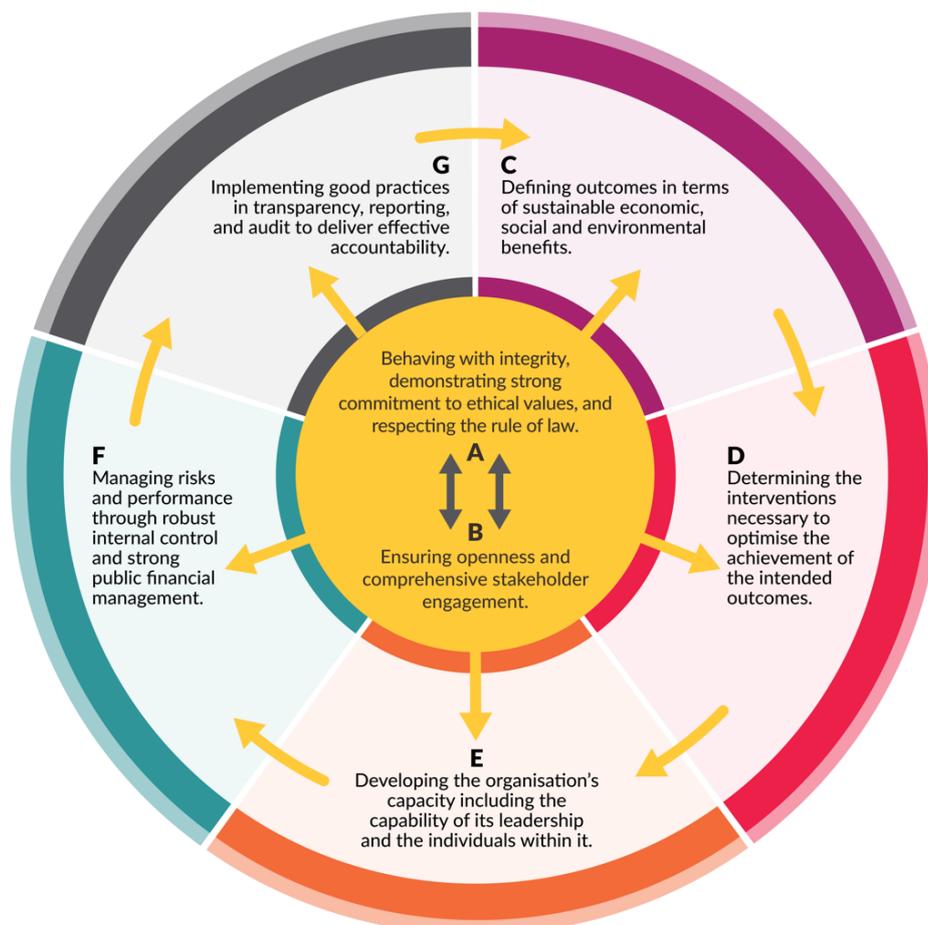
5.1.6   These principles are explained below:

(a) **Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**
Herefordshire Council is accountable for how it uses the resources under its stewardship, including accountability for outputs and outcomes achieved. In addition the council has 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, we can demonstrate the appropriateness of all our actions across all our activities and have mechanisms in place to encourage and enforce adherence to ethical values and respect the rule of law.

(b) **Ensuring openness and comprehensive stakeholder engagement.**
Herefordshire Council is run for the public good and therefore should encourage openness in its activities. Clear trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders

(c) **Defining outcomes in terms of sustainable economic, social and environmental benefits.**
The long-term nature of many of Herefordshire Council's responsibilities mean that we should define and plan outcomes and that these should be sustainable. Decisions should further the council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

(d) **Determining the interventions necessary to optimise the achievement of the intended outcomes**.
Herefordshire Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these is an important strategic choice to make to ensure intended outcomes are achieved. The council needs robust decision-making mechanisms to ensure our outcomes can be achieved in a way that provides the best use of resources while still enable efficient and effective operations. Decisions made need to be reviewed periodically to ensure that achievement of outcomes is optimised.

(e) **Developing the organisation's capacity including the capability of its leadership and the individuals within it.**
Herefordshire Council needs appropriate structures and leadership, as well as people with the right skills, qualifications and mindset, to operate efficiently and effectively. Because individuals and external factors will change over time the council will continue to need to develop its capacity as a whole as well as that of individuals. Leadership is strengthened by the participation of people with different types of backgrounds reflecting the diversity of our community.

(f) **Managing risks and performance through robust internal control and strong public financial management.**
Herefordshire Council must ensure that it has an effective performance management

system that facilitates effective and efficient delivery of planned services. Effective financial management, risk management and internal control are important components of this performance management system. Herefordshire Council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

(g) **Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**
Herefordshire Council must ensure that those making decisions and delivering services are accountable for them. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. External and internal audit contribute to effective accountability.

5.1.7 Compliance

5.1.8 The monitoring officer monitors compliance with established policies, procedures, laws and regulations. The section 151 officer advises on financial matters, is responsible for keeping proper financial records, and for maintaining a sound system of internal control.

5.1.9 To assess compliance, the council conducts an annual review of the effectiveness of its governance framework and system of internal control. The results of this review, carried out in accordance with the principles of this code, inform the production of the annual governance statements presented as part of the statement of accounts.

5.1.10 Governance arrangements

5.1.11 The council's governance arrangements are found in the following:

Constitution	➢ Establishes the values of the council and sets of the policy setting and decision making processes ➢ Defines roles and responsibilities ➢ Details the internal financial control framework through financial and contracts procedure rules and schemes of delegation. ➢ Sets out the standards of behaviour for elected members and employees
County plan, medium term financial strategy, and delivery plan	➢ Sets out the vision for intended outcomes for the county and its residents ➢ Informs planning and resource allocation ➢ Translates the vision into courses of action
Performance, risk and opportunity management framework, and performance reports	➢ Provides the framework for measuring the performance of services and projects ensuring they deliver defined outcomes and represent value for money ➢ Sets out how the council will understand and manage risk

Partnerships' governance framework and register	➤ Provides the framework for measuring the effectiveness of the council's partnership arrangements ➤ Ensures risks associated with working in partnership are understood and managed ➤ Ensures the principles of good governance are incorporated into the council's partnership arrangements
Internal and external audit reports	➤ Provide assurance that the councils control arrangements are operating effectively ➤ Inform improvement ➤ Support effective management of risk
Whistleblowing policy, complaints procedure and reports, Local Government Ombudsmen reports	➤ Ensure communication channels are open so that concerns may be raised and acted upon
Communications strategy and protocols	➤ Sets the framework for the council to communicate effectively with stakeholders
Information governance policies	➤ Ensure data held by the council is managed safely and effectively ➤ Ensure that the quality of data used is robust
Anti-fraud and corruption policy	➤ Sets out the councils arrangements for mitigating the risks of fraud and corruption
Scrutiny reports	➤ Provide transparent accountability