# CODE OF CORPORATE GOVERNANCE

## 1. INTRODUCTION

1.1 Stafford Borough Council recognises that it is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this accountability Members and officers will be responsible for putting in place proper arrangements for the governance of the authority's affairs and the stewardship of the resources at its disposal.

1.2 To this end the authority has approved and adopted this Code of Corporate Governance which is consistent with the principles and requirements of the CIPFA/SOLACE framework for *"Delivering Good Governance in Local Government".*

1.3 Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.

1.4 The seven key principles of good governance are:

a) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;

b) Ensuring openness and comprehensive stakeholder engagement;

c) Defining outcomes in terms of sustainable economic, social and environmental benefits;

d) Determining the interventions necessary to optimise the achievement of intended outcomes;

e) Developing the entity's capacity, including the capability of its leadership and the individuals within it;

f) Managing risks and performance through robust internal; control and strong public financial management; and

g) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

1.5 This Code applies to all officers and Members in the discharge of their duties

# CODE OF CORPORATE GOVERNANCE

## 2. PRINCIPLES OF GOOD CORPORATE GOVERNANCE

2.1 The authority supports and will apply the core principles of good corporate governance. How the Council will do this is set out in the table below:

| Sub Principles | Arrangements the Council has in place |
|---|---|
| Core Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law | |
| Behaving with integrity | • The Council has in place Codes of Conduct for both Members and Employees which set out requirements that support the need to behave with integrity.<br>• The Council has a set of values which are underpinned by a set of expected behaviours. Integrity is one of the Council's values.<br>• All new Members and Employees are made aware of the Code of Conduct when they join the Council. |
| Demonstrating strong commitment to ethical values | • A framework of policies for Speaking Up and Anti-Fraud and Bribery to discourage inappropriate activities and to encourage the reporting of any instances found.<br>• Members are required to declare any conflicts of interest at annually and at meetings.<br>• Employees are required to notify their line manager of any conflicts of interest and when tendering for goods or services they have to sign a declaration regarding any conflicts of interest. |
| Respecting the rule of law | • The Council has in place a Monitoring Officer who works with Members and Employees to ensure that the law is adhered to.<br>• Managers are responsible for checking that the law and local policies are complied with in their service area. Internal Audit through their work programme undertake independent checks on compliance with policies and procedures. |

# CODE OF CORPORATE GOVERNANCE

| Sub Principles | Arrangements the Council has in place |
|---|---|
| | • Disciplinary procedures are in place to investigate breaches of policy by employees and the Monitoring Officer will investigate breaches of the Code of Conduct by Members.<br>• Legal advice is given in reports for all decisions to be taken by Members. |
| Core Principle 2: Ensuring openness and comprehensive stakeholder engagement | |
| Openness | • The Council is committed to openness and holds meetings in public wherever it can. A schedule of Council meetings is available on the Council's website.<br>• The agendas, reports and minutes of meetings are published on the Council's website. All reports contain details of options considered and the advice provided by officers regarding legal and financial implications. The minutes include the reasons behind the decisions made.<br>• All reports are considered by Leadership Team and subject to internal challenge and assessment before being passed to Members for consideration.<br>• The Council has a Freedom of Information Scheme in place and seeks to publish information openly on its website wherever possible and practicable to do so. |
| Engaging with stakeholders effectively, including individual citizens and service users | • The Council communicates with its citizens, service users and stakeholders via our website, social media and press releases.<br>• The Council consults and engages with its community on key issues such as priorities, the budget, new projects. We do this through on-line and paper surveys, in person meetings, etc.<br>• Wherever we seek the views of our community, we endeavour to provide feedback on the information received and how we have used this to shape the Council's decisions. |

# CODE OF CORPORATE GOVERNANCE

| Sub Principles | Arrangements the Council has in place |
|---|---|
| Core Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits | |
| Defining outcomes | • The Council has established a clear vision of what it wants to achieve and this is set out in the Corporate Plan. |
| Ensuring Value for Money | • The Council's Financial Regulations and Procurement Regulations provide a framework to ensure that value for money, best value and social value is considered in the delivery of services and projects.<br>• Key decisions are made by Cabinet or Council. All reports require financial implications and value for money to be considered when taking decisions. |
| Fair access to services | • Equality impact assessments are undertaken for all new policies to ensure fair access to services. |
| Working with Partners | • The Council works closely with partners (ie other public sector bodies, the voluntary sector and the private sector) to deliver agreed outcomes for the community. |
| Core Principle 4: Determining the interventions necessary to achieve the intended outcomes | |
| Arrangements for short and medium term planning | • The Corporate Plan is underpinned by Priority Delivery Plans (PDPs) which set out a range of targeted actions and projects to help to achieve the Council's vision; these are reviewed and updated annually.<br>• The Council's day to day services also support the delivery of the vision and priorities. |
| Managing performance | • The performance in delivering the Council's priorities and key operational services is monitored by the Leadership Team, Cabinet and the Scrutiny Committees.<br>• Performance in delivering day to day services is monitored by Service Managers. |

# CODE OF CORPORATE GOVERNANCE

| Sub Principles | Arrangements the Council has in place |
|---|---|
| Alignment of budget with corporate priorities | • The Medium-Term Financial Strategy takes the Council's priorities into consideration when budget setting. In year, any financial decisions are required to demonstrate a contribution to the one or more of the Council's priorities. |
| Core Principle 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it | |
| Developing the Council's capacity and the capability of its Leadership and the individuals within it | • The roles of Members, Committees, Officers and Statutory Officers are set out in the Council's Constitution, which is available on the Council's website.<br>• The Council has a Scheme of Delegations in place, as part of the Constitution, which sets out the types of decisions and who can make them within the Council.<br>• The Council's Chief Executive acts as the Head of Paid Service.<br>• The Deputy Chief Executive for Resources acts as the Chief Finance (s151) Officer.<br>• The Head of Law and Governance acts as the Monitoring Officer.<br>• All three statutory officers meet regularly to discuss and address any governance issues<br>• An induction programme is in place to provide training and support for all new Members and employees.<br>• The ongoing development of Members is led by the political groups but access to training is also made available through the Council.<br>• Employees have an annual employee review to assess their progress, performance and to identify any training and development needs.<br>• The Council is committed to supporting the health and wellbeing of the workforce through appropriate HR policies, working practices and access to an Occupational Health Service. |

# CODE OF CORPORATE GOVERNANCE

| Sub Principles | Arrangements the Council has in place |
|---|---|
| Core Principle 6: Managing risks and performance through robust internal control and strong public financial management | |
| Managing risk | • The Council has a risk management policy and strategy in place.<br>• A Strategic Risk Register is maintained by the Leadership Team and progress is monitored by the Cabinet and the Audit and Accounts Committee.<br>• Operational risks are identified and managed within the respective service areas.<br>• Framework in place to manage Health and Safety risks |
| Strong public financial management | • The s151 Officer, ie Chief Financial Officer, is appropriately qualified, experienced and complies with the Cipfa Statement on the Role of the Chief Finance Officer in Local Government.<br>• The s151 Officer ensures that arrangements are in place to comply with the Financial Management Code.<br>• The s151 Officer prepares and advises the Council on it's Medium Term Financial Strategy and the budget.<br>• Officers have access to real time budget information and twice yearly budget monitoring reports are provided to Members and Officers.<br>• Financial Regulations provide a framework for the day to day management of the Council's financial transactions. |
| Internal Audit and Internal Control | • The internal control framework comprises a range of policies and procedures to ensure the sound management of the Council's operations and delivery of services.<br>• The Internal Audit Section undertakes reviews of the systems that comprise the internal control and governance framework, provides assurance and makes recommendations for improvement. |

# CODE OF CORPORATE GOVERNANCE

| Sub Principles | Arrangements the Council has in place |
|---|---|
| | • The Audit and Accounts Committee receives reports from the Chief Internal Auditor and Risk Manager on the systems that comprise the internal control framework. The Committee also monitors the performance and quality of the Internal Audit service to ensure that it complies with the required national standards.<br>• Internal Audit arrangements are in conformance with the Global Internal Audit Standards in the UK Public Sector. These are reviewed annually and reported to the Audit and Accounts Committee.<br>• The Internal Audit Section provides assurances throughout the year on the key systems of internal control.<br>• An annual review is undertaken of the Council's governance arrangements.<br>• Procurement Regulations provide a framework for managing the procurement of goods and services by the Council |
| Assurance and Scrutiny | • The Audit and Accounts Committee receives assurance from the Chief Internal Auditor and Risk Manager on:<br>➢ the effective operation of the internal control framework; and<br>➢ the management of strategic risks.<br>• The Scrutiny Committees monitor the performance of the Council and hold the Cabinet to account for the decisions it makes. Each Scrutiny Committee has oversight of one or more of the Council's priorities. |
| Managing data and IT security | • The Council has a Data Protection Officer and Information Governance policy in place to ensure that personal data is held securely and managed appropriately.<br>• The Council has an IT security policy in place and a Cyber Security Officer to ensure the integrity and security of the systems and data. |

| Sub Principles | Arrangements the Council has in place |
|---|---|
| | • Annual refresher training on Data Protection and Cyber Security is mandated for all employees. |
| Core Principle 7: Implementing good practices in transparency, reporting and audit to deliver effective accountability | |
| Implementing good practice in transparency and reporting to ensure effective accountability | • The Council is committed to maintaining a pro-active working relationship with external audit, internal audit and other inspection/regulatory bodies.<br>• From time to time, the Council invites/ receives reviews of its services and develops improvement plans to implement recommendations arising from them. These are discussed with Leadership Team and progress is reported to Cabinet, the Audit and Accounts Committee or Scrutiny Committee as appropriate.<br>• The following information is reported annually to Members and is available on the Council's website:<br>➢ Performance in delivering the Council's priorities and operational performance of key services;<br>➢ Statement of Accounts;<br>➢ Annual Internal Audit Report;<br>➢ Annual External Audit Letter; and<br>➢ Annual Governance Statement.<br>• The Council has a compliments and complaints policy and a summary is reported annually to the Resources Scrutiny Committee. |

2.2 A diagram illustrating the Council's Governance Framework is given at Annex 1.

# CODE OF CORPORATE GOVERNANCE

## 3. MONITORING AND REPORTING

3.1 The authority will undertake an annual review of its governance arrangements to ensure continuing compliance with best practice as set out in the CIPFA/SOLACE Framework. The review will include a range of perspectives from different sources of assurance eg statutory officers, management, corporate functions such as risk management, internal audit, external audit and other independent review bodies.

3.2 The review will be reported on both within the authority, to the Audit and Accounts Committee, and externally with the published accounts, to provide assurance that:

- corporate governance arrangements are adequate and operating effectively in practice; or
- where reviews of the corporate governance arrangements have revealed gaps, action is planned that will ensure effective governance in future.

3.3 The authority will prepare an Annual Governance Statement (AGS) and in so doing recognises that the process of preparing the Governance Statement should itself add value to the authority's corporate governance and internal control framework. It will be submitted to the Audit and Accounts Committee for consideration and approval.

3.4 The Annual Governance Statement will include the following information:

- a summary of the annual review and an overall opinion on the effectiveness of the governance arrangements;
- a brief description of how the review of effectiveness has been conducted and the results of this;
- an opinion on whether there are adequate governance arrangements in place and operating effectively;
- an outline of the areas that need to be improved, any significant governance failures and an action plan the address these issues; and
- improvements made to governance arrangements during the year.

3.5 The Audit and Accounts Committee will be responsible for considering and approving the Annual Governance Statement. The statement will be signed by the Chair of the Audit and Accounts Committee, the Leader of the Council and the Chief Executive.

3.6 The AGS will be reported to full Council as part of the annual report on the work of the Audit and Accounts Committee.

## 4. RESPONSIBILITIES

4.1 Corporate governance and good governance is everyone's responsibility. There are however a number of specific responsibilities in relation to the implementation, monitoring and review of the Code and activities associated with the production of the annual governance statement. These are outlined below.

4.2 The Chief Executive and the Leadership Team will be responsible for:

- Championing and role modelling good governance, in the spirit of this Code.

4.3 The Deputy Chief Executive for Resources (s151 Officer) will be responsible for:

- Overseeing the implementation and monitoring of the Code.

4.4 The Head of Law and Governance (the Monitoring Officer) will be responsible for:

- reviewing the operation of the Code and advising on any changes that may be necessary to maintain it and ensure its effectiveness in practice; and

- reviewing and updating the Code of Corporate Governance as necessary.

4.5 The Head of Business Support and Assurance will be responsible for:

- undertaking an annual review of the Code, to provide assurance on the extent of compliance with it.

- co-ordinating the Council's assurances processes; and

- co-ordinating the production of an AGS which will represent the overall levels of assurance within the Council on behalf of all Members and officers.

4.6 **The Chief Internal Auditor** will be responsible for:

- reporting annually to the Audit and Accounts Committee on audit activities during the year, with particular emphasis on the systems of internal control and the arrangements for corporate governance, providing some of the assurance required in the Annual Governance Statement.

# CODE OF CORPORATE GOVERNANCE

## Glossary

| Term | Explanation |
|---|---|
| CIPFA | The Chartered Institute of Public Finance and Accountancy; |
| SOLACE | The Society of Local Authority Chief Executives and Senior Managers |
| Member | Elected councillor (including co-opted councillors) |
| Officer | Employee of the Council (including secondees) |
| Section 151 Officer | The statutory officer responsible for reporting on matters of financial compliance |
| Monitoring Officer | The statutory officer responsible for reporting on matters of legality |
| Constitution | The Council's rules and codes/protocols book |