

# Code of Corporate Governance

**DRAFT**  
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## **Introduction**

The latest framework for good governance was produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) in 2016. Dudley issues its own Code of Corporate Governance based around the CIPFA/SOLACE model.

Corporate Governance is defined by CIPFA/SOLACE as comprising the arrangements (including political, economic, social, environmental, administrative, legal and other administrative arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

The framework aims to help local government take responsibility for developing and shaping an informed approach to governance; to achieve the highest standards in a measured and proportionate way. The overall aim is to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities,
- There is sound and inclusive decision making,
- There is clear accountability for the use of those resources in order to achieve desired outcomes for services users and communities.

The governance framework is based around seven core principles of good governance. The seven core principles are listed below with an outline of how Dudley is addressing these principles.

## **CORE PRINCIPLE 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have 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, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

### **Sub-principle: Behaving with Integrity**

#### **Evidenced by:**

- The council's constitution contains Codes of Conduct for both Members and Officers to ensure that high standards of conduct are maintained. The Codes of Conduct include requirements relating to the declaration of interest and the receipt of gifts and hospitality.
- The Employees Code of Conduct is brought to the attention of all new starters to the council and forms part of the induction process. All employees are now required to electronically accept the Code and declare any interests on the HR and Payroll System.
- It is a mandatory requirement that all Members of the council receive training from the Monitoring Officer on the Code of Conduct. This includes Member conduct, declaring interests and equality duties.
- Those Members who attend regulatory committees are required to attend mandatory training on a biennial basis.
- Each Director maintains a gifts and hospitality register for their staff.
- Member declared interests are shown on the council's website.
- Protocol on Member/Officer Relations forms part of the council's constitution and has recently been reviewed and has been produced in a one page format.
- Code of Practice for Members and Officers dealing with planning matters and Developer Selection Protocol forms part of the council's constitution.
- The constitution sets out the council's decision making framework, clearly detailing decisions to be taken by full Council, Cabinet, Committees, Cabinet Members and Senior Officers.
- Each committee agenda asks for any declarations of interest under the Members' Code of Conduct and any declarations would be recorded within the minutes. The agendas and minutes are available on the council's website.

### **Sub-principle: Demonstrating strong commitment to ethical values**

#### **Evidenced by:**

- The council has developed a "Values and Behaviour Framework" to demonstrate how behaviour and decision making can help achieve its vision.
- The values and behaviours framework has been embedded in the Member and Officer Charter, Employee Survey, My Annual Review as well as driving workforce change initiatives such as engagement and the new staff suggestion scheme. Leadership Forum events have incorporated a values led theme and a staff recognition and celebration segment to recognise values in action.

## **CORE PRINCIPLE 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

- Training sessions have been delivered to Managers on the values and behaviours framework. Managers have been told to cascade the framework to their teams.
- Proper standards of behaviour are set out within Contracts Standing Orders and Financial Regulations which ensure that systems and processes for financial administration, financial control and the safeguarding of resources are in place. These are monitored by Internal Audit and reported upon as part of audit work.
- The council has an Equality Strategy 2016-19, which is currently under review. To support the delivery of the strategy the Workplace Wellbeing and Equality Steering Group have produced and monitor an action plan. An annual report on equality is presented to Strategic Executive Board and Cabinet and reports on progress in implementing the strategy and includes employment monitoring data for protected characteristics including race, disability and sex. Employment data is also benchmarked against other local authorities e.g. the gender pay data - which has resulted in some actions being identified to help close the council's gender pay gap.
- All staff are required to undertake an Equality and Diversity on-line training course.
- Leaflet produced on "Good governance is everyone's business" and promoted to Officers and Members.
- The council's Whistleblowing Policy is reviewed on an annual basis and a report on referrals is presented to Audit and Standards Committee.
- Posters are displayed throughout the council promoting the Whistleblowing Policy and who to contact. A clause on whistleblowing is included in the council's standard terms and conditions.
- National reports issued on standards in public life are discussed at Audit and Standards Committee.
- The Leader and Leaders of the opposition groups are required by the constitution to set an example to all Members and employees of the council in their conduct and the performance of their function. They will promote the Codes of Conduct, the Protocol for Member and Officer Relationships and encourage attendance at training courses.
- The Nolan principles are discussed in the Financial Regulations on-line training course.
- The council's Contract Standing Orders and Corporate Procurement Manual are underpinned by ethical considerations.
- A Suppliers Code of Practice has been produced and approved by the Leader of the council and distributed to all suppliers for which the council had an email address and the top 350 irrespective of whether an email address is held. The top 350 were asked to confirm their adherence to the Code.
- Clauses on fraud and corruption and the Bribery Act appear in the council's standard terms and conditions.
- Ethical procurement information, the Suppliers Code of Practice and the Whistleblowing Policy are included on the council's website.
- A Modern Slavery and Human Trafficking Statement and Policy has been produced and promoted via the council's website. An action plan has been developed as part of this Statement and Policy, the implementation and effectiveness of which is monitored by the Community Cohesion Strategic Group.

## **CORE PRINCIPLE 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Over 1000 staff have received initial awareness training on modern slavery and a number of other staff have received in depth training. The council's procurement and tender activity requires all relevant supplier contracts to confirm compliance with the Modern Slavery Act (2015) during the procurement process and an appropriate clause has been included in the General Terms and Conditions.

- The Prevent Delivery Group oversee the development and implementation of the Borough's Prevent Delivery Plan. The Group meets on a quarterly basis and receive updates from the Counter Terrorism Unit to inform their work.

### **Sub-principle: Respecting the rule of law**

#### **Evidenced by:**

- Officer job descriptions include the requirement to follow statutory provisions and guidance, where appropriate.
- The constitution clearly details the responsibility for Members and Officers to follow statutory provisions.
- Statutory responsibility is covered by the Members' Code of Conduct and associated training/guidance to Members from the Monitoring Officer.
- The Director of Finance and Legal complies with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2015).
- The Section 151 Officer and Monitoring Officer are permanent members of Strategic Executive Board and have access to all information and have the right to attend any meetings.
- Members receive training to assist with decision making, particularly for quasi-judicial committees.
- The council maintains records of legal advice provided by officers.
- The council has an Anti-Fraud and Corruption Strategy that is regularly reviewed. There are also fraud resources contained on the council's intranet site including online training.
- The council has a Corporate Fraud Manager who has the ability to undertake in depth investigations and prepare cases for criminal prosecution.
- A fraud hotline is available to Officers, Members, Contractors and members of the public.
- An Annual Fraud Report is presented to Audit and Standards Committee, which details work undertaken in relation to fraud.
- Fraud and corruption assessments against good practice guidance are presented to Audit and Standards Committee.

## **CORE PRINCIPLE 2: Ensuring openness and comprehensive stakeholder engagement**

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

### **Sub-principle: Openness**

#### **Evidenced by:**

- An engagement exercise involving a group of 33 people of different ages, genders and ethnicity was facilitated by the Democratic Society to understand how digital services and the council website can be made easier to use and best meet people's needs. A number of recommendations were made, which are currently being explored.
- A Freedom of Information Act publication scheme is maintained on the council's website.
- All committee reports and decision sheets/memorandums unless exempt can be accessed by the public through the council's website.
- The public are entitled to attend all committee meetings unless an exempt report is being discussed.
- A "forward plan" of items for which a decision is due to be made is published.
- A timetable of dates for submitting and distributing reports is maintained.
- Publish an annual Statement of Accounts and narrative report on the council's website demonstrating the Authority's financial position and performance.
- Regular meetings are held with relevant Lead Members to brief them on developments in their service area and issues of concern.
- The council has a Social Media Policy and social media is used extensively to communicate with residents and stakeholders.
- A council e-bulletin is issued via email to a significant number of residents.
- Facebook forums are used to engage with borough residents.
- The council's 'Your borough YOUR HOME' magazine features news and information and is distributed to all borough households.
- A digital platform has been launched which allows residents to raise their service requests online.
- The constitution demonstrates the council's commitment to an open and accessible style of operation by Members and Officers in all dealings.
- The constitution is reviewed on an annual basis. The constitution sets out how council decisions are made and the appropriate conduct at meetings.
- The constitution includes relevant guidance on the roles and responsibilities of the Section 151 Officer and the Monitoring Officer.
- Employee and Member Codes of Conduct detail the requirement to adhere to statutory provisions and guidance.

## **CORE PRINCIPLE 2: Ensuring openness and comprehensive stakeholder engagement**

- An employee survey is undertaken on a biennial basis and it is planned to supplement this with pulse surveys to test the temperature of the workforce on key initiatives.
- Internal communication has been reviewed and now there are a number of mechanisms to relay information to council staff: Chief Executive's blog, "Keep it Brief" and "Directions" publications, Express Briefings and Leadership Forum.

### **Sub-principle: Engaging comprehensively with institutional stakeholders**

#### **Evidenced by:**

- The voluntary sector meets with the Strategic Director People on a regular basis.
- There is strong partnership working with the NHS through the Health and Well-Being Board. The council are working with Dudley Clinical Commissioning Group (CCG) to develop a Multi-Speciality Community Provider (MCP) model. This is a new model of care which joins up the NHS, public health, social care and community support around the patient.
- The council is the accountable body for the following statutory partnerships: Community Safety, Dudley Safeguarding People Partnership Board, Health and Wellbeing Board and ensures appropriate governance is in place.
- There is a Dudley Business Champions Group made up of business leaders and council officers, focusing on delivering the five pillars of the Industrial Strategy and also aligning activities to the priorities in the Borough Vision 2030.
- The Dudley Town Centre Area Programme Board oversees projects in Dudley Town Centre.
- A Town Deal Board has been established since Dudley Town Centre was invited to bid for a share of the £3.6billion town fund. The Town Board will prioritise and drive investment and seek long term economic and productivity growth through investment in connectivity, land use, skills and enterprise infrastructure.
- Dudley MBC is part of West Midlands Combined Authority.

### **Sub-principle: Engaging stakeholders effectively including individual citizens and service users**

#### **Evidenced by:**

- A Corporate Communications Plan 2019-2022 is in place. The responsibility for delivering the plan applies to all elected Members, leaders and managers in line with our value of accountability. This is supported by a Communications Toolkit.
- The council has established a corporate identity and brand that is to be used on all appropriate communications. It is hoped that this will portray the council as professional and progressive.
- Planning Services have reviewed their Statement of Community Involvement to ensure it is reflective of current thinking and practice.

## **CORE PRINCIPLE 2: Ensuring openness and comprehensive stakeholder engagement**

- Young people are actively engaged through the Youth Council and the Children in Care Council as well as through a range of groups coordinated through the Children and Young People's Alliance.
- The council has established ten Community Forums to give local citizens a greater say in council affairs. These cover the groupings of electoral wards. Their main purpose is to provide an opportunity for local issues to be discussed locally. They involve the ward Councillors for each particular ward and are held in public.
- All significant decisions are subject to consultation with the public.
- The "Big Question" is an annual survey of borough residents to obtain their views on budget setting.
- The council attends or facilitates many groups involving residents or service users.
- During 2019/20, the council was selected as one of only three councils nationally to take part in the Government's Innovation in Democracy programme to trial citizens' assemblies. Dudley's assembly, the Dudley People's Panel, met over two weekends in November and December 2019 and looked at the future of Dudley and Brierley Hill town centres. Members of the Panel have presented their recommendations to Cabinet and these are being used to shape the regeneration plans for the two town centres

### **CORE PRINCIPLE 3: Defining outcomes in terms of sustainable economic, social and environmental benefits.**

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

#### **Sub-principle: Defining Outcomes**

##### **Evidenced by:**

- The Council Plan 2019 to 2022 has three priorities, which will be supported by its work as One Council, building a dynamic and sustainable organisation:
  - Stronger and safer communities,
  - A cleaner greener place,
  - Growing the economy and creating jobs.
- Future Dudley 2030 (Council Strategy) sets out an ambitious transformation programme over the next 10 years. The programme is currently being scoped. It is proposed that Future Dudley 2030 will be split into five work streams:
  - Future Communities
  - Future Economy
  - Future Workforce
  - Future Technology
  - Future Facilities
- A Borough Vision 2030 'Forging a Future for All' has been produced in conjunction with partners. An Action Plan to deliver on the Vision is currently being produced. In 2030 Dudley borough wants to be:
  - An affordable and attractive place to live with a green network of high quality parks, waterways and nature reserves that are valued by local people and visitors,
  - A place where everybody has the education and skills they need, and where outstanding local schools, colleges and universities secure excellent results for their learners,
  - A place of healthy, resilient, safe communities with high aspirations and the ability to shape their own future,
  - Better connected with high quality and affordable transport, combining road, tram, rail, and new cycling and walking infrastructure,
  - Renowned as home to a host of innovative and prosperous businesses, operating in high quality locations with space to grow, sustainable energy supplies and investing in their workforce,
  - A place to visit and enjoy that drives opportunity, contributing to its ambitious future while celebrating its pioneering past,
  - Full of vibrant towns and neighbourhoods offering a new mix of leisure, faith, cultural, residential and shopping uses.

### **CORE PRINCIPLE 3: Defining outcomes in terms of sustainable economic, social and environmental benefits.**

- Dudley Borough Forging the Future Executive has been established to stimulate, champion and lead programmes of action to contribute to the achievement of Dudley Borough's vision for the future.
- A Commercial Strategy is currently being produced.
- Publish quarterly and annual performance reports on the website.
- Publish annual report and account on adult social care services, which provides an assessment of how the council has performed as a provider and commissioner of adult social care as well as identifying areas for further focus.
- The council has established the Dudley Deal, which is a series of informal pledges. The Business Deal is about growing the economy, the Community Deal is about supporting stronger communities and the Green Deal is about focusing on a cleaner, greener borough. Each sets out what the council will commit to and also how residents, businesses and community groups can play their part.

#### **Sub-principle: Sustaining economic, social and environmental benefits**

##### **Evidenced by:**

- The corporate reporting template requires consideration of environmental and sustainability factors.
- The council has a Corporate Energy Management function which has a programme of work to improve council's energy and environmental performance on sustainable development. A Corporate Energy Strategy has been produced.
- A Corporate Estate Strategy (2017-2022) has been produced that includes capital investment and disposals. The Corporate Estate Strategy will ultimately deliver a "core" of operational buildings and sites that are "fit for purpose". It will also realise savings, generate new revenue income and deliver efficiencies through working differently and collaborating with partners in the context of the council's land and property base.
- The Corporate Estate Strategy is delivered via the Corporate Landlord Services Plan.
- The council are developing a 25-year sustainable waste strategy to minimise the borough's waste.

## **CORE PRINCIPLE 4: Determining the interventions necessary to optimise the achievement of the intended outcomes**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

### **Sub-principle: Determining and Planning interventions**

#### **Evidenced by:**

- The Council Plan 2019-2022 includes each directorate's key priorities.
- The Council Plan is supported by Director plans that provide more detailed information on the service actions the council are taking to deliver its priorities. The plans have a three year focus and are reviewed annually in support of the Council Plan, Future Council 2030 and Borough Vision.
- There are agreed templates in place for producing committee reports and decision sheets. These templates require the law in relation to the decision to be detailed and the impact on equality. Within the Committee report/decision sheet the benefits of the proposed course of action and the risks in relation to it should also be clearly explained.
- Members are encouraged to discuss with officers the information they require in order to make decisions.
- Democratic Services have provided training to Senior Managers on how committee reports and decision sheets should be completed and have emphasised that the corporate standard must be followed. Training has also been provided on the process to get committee reports and decision sheets agreed and published.
- There are timetables in place for producing the Council Plan, Director Plans and annual budget.

### **Sub-principle: Optimising achievement of intended outcomes**

#### **Evidenced by:**

- The Medium Term Financial Strategy balances service priorities, affordability and other resource constraints.
- The council is developing a Social Value Charter.
- Training has been provided to Officers on social value.

## **PRINCIPLE 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

### **Sub-principle: Developing the entity's capacity**

#### **Evidenced by:**

- All officers are required to have a My Annual Review (performance and development review meeting) which takes account of the council's Values and Behaviours Framework.
- All new staff are required to attend a comprehensive corporate induction.
- A Members' induction programme is in place, which is open to all Members to attend.
- Some training is mandatory for all Members to attend.
- Political groups are responsible for undertaking reviews of Members' skills.
- The council have developed a training and development programme for all members, including Cabinet Members, which is subject to review.
- Local Government Association have provided training on scrutiny and chairing meetings.
- A Councillors' Guide has been prepared, that provides the key information a Councillor needs to be aware of.
- Members are encouraged to attend events run by the Local Government Association (LGA).
- Leadership Accountabilities have been determined and discussed at Leadership Forum.
- The council has developed an approach to appreciation and recognition.
- The council has gained accreditation to the Workplace Wellbeing Charter. Health and wellbeing resources are included on the intranet including how to contact Mental Health First Aiders and Staff Counselling Service.

### **Sub-principle: Developing the capability of the entity's leadership and other individuals**

#### **Evidenced by:**

- The Cabinet and Strategic Executive Board review succession planning.
- A new workforce planning model and toolkit was introduced in 2018 and is currently being used to develop directorate workforce plans across the council.
- Workforce planning is integral to the council's business planning process and seeks to maximise capacity through ensuring that the right people, are in the right place, at the right time, with the right skills and qualifications, and where new

## **PRINCIPLE 5: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

appointments are made, they demonstrate a commitment to the council's values and behaviours framework.

- Training programmes are run for different tiers of management.
- Leadership Forum meetings of the council's senior managers take place four times a year and is a forum for cascading key information.
- The role of the Chief Executive and Leader have been clearly defined within the council's constitution.
- Citizen rights are set out in Article 3 of the constitution. Some of these are legal rights, whilst others depend on the council's own processes.
- A Local Government Association Corporate Peer Review took place in January 2020. The final report has been delayed due to Covid-19.
- The council has a Recruitment and Selection Policy and a suite of HR policies and procedures.
- The council has approved a Pay Policy Statement to clarify the council's strategic stance on pay in order to provide direction for Members and Officers making detailed decisions on pay and to provide the citizens of Dudley with a clear statement of the principles underpinning decisions on the use of public funds. The Pay Policy Statement sits alongside the Pay Arrangements Policy which sets out the council's approach to pay and reward, including temporary payments for additional responsibilities and temporary market forces supplement payments.

## **CORE PRINCIPLE 6: Managing risks and performance through robust internal control and strong public financial management**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

### **Sub-principle: Managing Risks**

#### **Evidenced by:**

- A Risk Management Strategy is in place that is reviewed and approved by the Audit and Standards Committee.
- The Risk Management Strategy states that risk identification and analysis should be undertaken at the earliest opportunity in the business processes and should be forward thinking as well as reflective.
- The Risk Management Strategy emphasises the importance of assigning ownership of risks and mitigating actions.
- Corporate Risks are reported to Strategic Executive Board and Audit and Standards Committee three times a year.
- Audit and Standards Committee select risks for detailed scrutiny.
- Directors are required to complete a quarterly risk assurance protocol to confirm that risks are being identified and managed.
- Key risks in relation to proposed decisions should be detailed in all Committee reports, where appropriate.
- Training is provided to Members and Officers on risk management on request.
- Each directorate has a designated Risk Management Champions and the Champions' meet as a group three times a year.

### **Sub-principle: Managing Performance**

#### **Evidenced by:**

- Corporate Performance is monitored by Management, Strategic Executive Board and Corporate Scrutiny Committee each quarter. Each Directorate will have a number of actions and performance indicators that they monitor.
- Corporate Scrutiny Committee select performance indicators for detailed scrutiny.
- Unacceptable performance is challenged.
- Benchmarking is used to evaluate performance and for the setting of targets.
- A specialist project management system (Verto) is used that provides more structure, consistency and governance over the council's projects.
- The council has a Corporate Customer Feedback Procedure that covers Compliments, Comments and Complaints.

## **CORE PRINCIPLE 6: Managing risks and performance through robust internal control and strong public financial management**

- A Corporate Customer Feedback Group is held to monitor customer feedback and ensure learning takes place.
- The Local Government and Social Care Ombudsman's Annual Review Letter is presented to Cabinet.
- A Corporate Workforce Analytics Report is presented to Strategic Executive Board on a quarterly basis. This provides information on the workforce and whether key Human Resource indicators are being achieved.
- A Health and Safety Annual Report is presented to Strategic Executive Board.
- Heads of Services are reminded on a monthly basis to complete key personnel procedures e.g. My Annual Review, Return to Work Interviews.

### **Sub-principle: Robust Internal Control**

#### **Evidenced by:**

- The council operates Scrutiny Committees which undertake "in depth scrutiny investigations/enquiries and contribute to policy development in respect of issues/items falling within their terms of reference". The terms of reference of the four Scrutiny Committees cover all of the council's executive functions.
- The Overview and Scrutiny Management Board approves and monitors the Annual Scrutiny Programme and co-ordinates the work of the various Scrutiny Committees. Scrutiny Committees have considerable flexibility to amend the Annual Scrutiny Programme to reflect developments during the year.
- Individual Scrutiny Committees will carry out investigations into any decisions of the Cabinet, Cabinet Members, the Chief Executive or Directors that are called in for scrutiny in accordance with the Scrutiny Committee Procedure Rules set out in Part 4 of the constitution.
- The Overview and Scrutiny Management Board report annually to the full Council with details of Scrutiny Committee activities and annual work programme. Minutes of the Overview and Scrutiny Management Board and Scrutiny Committees are submitted to full Council to increase transparency. The Overview and Scrutiny Management Board Annual Report is available on the council's website and sets out the key issues considered and the outcomes of scrutiny work during the year.
- Overview and Scrutiny Management Board periodically review scrutiny arrangements to ensure they remain "fit for purpose".
- The Local Government Association and the Centre for Professional Scrutiny have assisted the council with scrutiny development work.
- The council has appointed the Democratic Services Manager as "Scrutiny Officer" pursuant to Section 9FB of the Local Government Act 2000. The role of this Officer is to promote the role of the Authority's Overview and Scrutiny Committees, to provide support to the Authority's Overview and Scrutiny Committees and to provide support and guidance to Members and Officers in relation to the functions of the Authority's Overview and Scrutiny Committees.
- All Scrutiny Committee agendas include a "Public Forum" to encourage greater public involvement in the council's work.
- Meetings of the Overview and Scrutiny Management Board are programmed in the council calendar to broadly coincide with the dates of Cabinet meetings. This enables the Board to monitor key executive decisions contained in the Forward Plan.

## **CORE PRINCIPLE 6: Managing risks and performance through robust internal control and strong public financial management**

- Reports issued by the Committee on Standards in Public Life are discussed by Audit and Standards Committee.

### **Sub-principle: Managing Data**

#### **Evidenced by:**

- The Director of Finance and Legal is the Senior Information Risk Officer.
- The council has appointed a Data Protection Officer and reviewed his reporting lines in order to provide the required independence that his position requires.
- The council has an Information Governance Board that is attended by senior representatives (Information Risk Officers) from each directorate.
- All Officers are required to undertake mandatory information governance training.
- Members are provided with training on information governance.
- The council has a suite of Information Governance policies and procedures including data sharing and data quality.
- The Information Governance Team maintains a data sharing register (data processing agreements/data exchange agreements/third party access agreements).
- Privacy Notices have been completed for all key services and are displayed on the council's website.
- The council is currently working towards Cyber Essentials Plus and ISO27001 accreditations.

### **Sub-principle: Strong Public Financial Management**

#### **Evidenced by:**

- The council has established a robust financial management regime. Reports on budgetary management are provided to all levels of Management and discussed at a number of Member Committees.
- Regular financial monitoring reports to Cabinet and full Council to assist in decision making and effective stewardship of public funds.
- The council has a rolling Capital Programme which sets out detailed capital investment plans for each Directorate funded from a number of sources. This is supported by a Capital Investment and Disposal Guide.
- The constitution sets out the Financial Management Regime, which includes Contract Standing Orders and Financial Regulations.
- The council complies with CIPFA's Prudential Code for Capital Finance and reports to Members, where necessary.
- Adopted CIPFA's Code of Practice for Treasury Management as integral part of the Treasury Strategy, which is approved by Members. Regular reports on treasury management are presented to Audit and Standards Committee and full Council.
- The Medium Term Financial Strategy takes account of the full cost of delivering services over the medium term.
- The council consults extensively on its budget proposals.
- Financial Regulations are currently being reviewed to ensure they remain "fit for purpose".
- Financial Regulations are supported by online training that is available for Members and Officers to complete.

## **CORE PRINCIPLE 6: Managing risks and performance through robust internal control and strong public financial management**

- An employee suggestion scheme has been established to try and identify innovative change proposals and to deliver savings and efficiencies.
- Contract Standing Orders have been updated and awareness training delivered.
- A contracts register has been developed.
- The council co-ordinates and has mechanisms in place for the effective engagement of clients/service users in all commissioning activity.
- Standard contract terms and conditions are in place.
- Each Directorate has a schedule of authorised officers for making contract related decisions.
- A Procurement Management Group has been established to discuss procurement options.
- A Commercial Opportunities Group has been established to discuss commercial/investment ideas and to discuss ways of generating income for the authority.

## **CORE PRINCIPLE 7 : Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

### **Sub-principle: Implementing good practices in transparency and reporting**

#### **Evidenced by:**

- All individual items of expenditure over £500 are displayed on the council's website.
- The council are working towards complying with the Local Government Transparency Code 2015.
- An annual Pay Policy Statement is produced for each financial year and approved by a resolution of full Council. The policy statement is published on the council's website.
- The annual Statement of Accounts is published on the council's website.
- Audit and Standards Committee approve the Certified Statement of Accounts.
- An Annual Governance Statement is compiled in accordance with the CIPFA publication "Delivering Good Governance in Local Government". This is approved by the Audit and Standards Committee and signed by the Chief Executive and the Leader of the council and published as part of the Statement of Accounts.
- The Annual Governance Statement discusses the effectiveness of the council's governance framework and identifies any areas of significant concern.

### **Sub-principle: Assurance and effective accountability**

#### **Evidenced by:**

- The Audit and Standards Committee comprises nine elected members which are appointed by full Council. No Cabinet Members will be appointed to serve on the Committee.
- The Audit and Standards Committee operates to an agreed terms of reference. The terms of reference has been reviewed in light of the CIPFA publication "Audit Committees – Practical Guidance for Local Authorities and Police".
- The Audit and Standards Committee has responsibility for the system of internal control, both financial and otherwise.
- Regular assessments are undertaken of Audit and Standards Committee's effectiveness against good practice guidance.
- The skills of Members that serve on the Audit and Standards Committee are assessed to identify any training needs.
- New Members to the Audit and Standards Committee are offered induction training.
- The effectiveness of internal audit and the adequacy of internal audit resources are monitored by Audit and Standards Committee.
- Recommendations for corrective action made by external audit are reported to Audit and Standards Committee and they ensure that appropriate action is taken.
- Internal Audit risk based plans are approved by Audit and Standards Committee.
- Progress reports on the delivery of the Internal Audit Plan are presented to Audit and Standards Committee.

## **CORE PRINCIPLE 7 : Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

- The Head of Audit Services provides an opinion on the effectiveness of the council's governance, risk management and internal control, which is then used in the production of the Annual Governance Statement.
- Internal Audit has recently been externally assessed as meeting the Public Sector Internal Audit Standards. The Head of Audit Services complies with the key requirements of CIPFA's Statement on the Role of the Head of Internal Audit.