

BRAINTREE DISTRICT COUNCIL
CODE OF CORPORATE GOVERNANCE



Revision E – June 2007

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INTRODUCTION

Braintree District Council 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 responsibility elected Members and Officers are required to put in place proper arrangements for the governance of Braintree District Council's affairs, and the stewardship of the resources at its disposal.

To this end the Council has produced this Code of Corporate Governance, which is based upon a CIPFA/SOLACE guidance document entitled "Corporate Governance in Local Authorities".

Within that guidance document Corporate Governance is defined as "a system by which local authorities direct and control their functions and relate to their communities."

The aim of this Code is to describe

- The systems and processes the Council uses to manage its internal affairs and its relationships with its major customers and partners. These are the basic structures on which the organisation of the Council is founded and the means by which the work of the authority is carried out;
- how these systems operate and relate to one another;
- the arrangements for ensuring that each system reflects and contributes to the creation of a philosophy within the organisation that encourages openness, integrity and accountability;
- the means by which the systems can bring about clear leadership;
- how the authority goes about obtaining value in its services and activities, promotes the use of best practice and finds ways continually to improve performance;
- The means by which all these systems and processes are critically reviewed and, if necessary, improved.

The Council's Code covers five fundamental aspects of its business:

- **Community Focus** – relating to the Council's duties and responsibilities and its influence within its local community.
- **Service Delivery Arrangements** – aiming to achieve continuous improvement in service delivery and ensuring that agreed policies are implemented and decisions carried out.
- **Structure and Processes** – the establishment of effective political and managerial structures and processes to govern decision-making and the exercise of authority within the council.
- **Risk Management and Internal Control** – the creation of a systematic framework, strategy and processes for managing risk.
- **Standards of Conduct** – the fostering of an ethos of integrity and honesty within the authority and the promotion of the highest standards of behaviour from everyone within it.

The Code is also intended to demonstrate that the Council is complying with the underlying principles of corporate governance:

- **Openness and inclusivity**

Openness is required to ensure that our stakeholders have confidence in the Council's decision-making and management processes. Openness requires an inclusive approach, which seeks to ensure that all of our stakeholders and potential stakeholders have the opportunity to engage effectively with the decision-making processes and actions of the Council.

- **Integrity**

Integrity is based upon honesty, selflessness and objectivity and the highest standards of propriety and probity in the stewardship of public funds and management of the Council's affairs.

- **Accountability**

Accountability is the process whereby the Council, its 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.

The Code shows that those principles are integrated within the conduct of the Council's business and that there are arrangements in place to monitor compliance with this.

The Code, agreed by the Executive on 4th November 2002, is reviewed and, if necessary, updated annually. The Council will make an annual statement on how it has complied with the Code and monitored the effectiveness of its corporate governance arrangements. This statement will be incorporated with the Statement of Internal Control, which is included in the Council's annual financial statement.

The following sections examine this Council's compliance with each of the core aspects of its corporate activities and structure and the means by which their effectiveness is monitored and the processes and systems are kept up to date. They detail where further action is considered necessary in order for the Council to meet the highest standards of corporate governance.

1.0 COMMUNITY FOCUS

1.1 Principles

Through carrying out its general and specific duties and responsibilities and its ability to exert wider influence, the Council will:

- Work for and with the local community
- Exercise leadership within the community in appropriate circumstances
- Act on behalf of the community to promote well-being.

To ensure that these objectives are met, the Council will:

- Show that it is accountable to stakeholders for its performance and that it is effective in the delivery of its services
- Build effective relationships and partnerships with public agencies and the private and voluntary sectors
- Demonstrate openness in its dealings
- Communicate and engage with all sections of the community to encourage public participation in the work and decision-making of the authority
- Develop a corporate strategy that responds to community needs.

1.2 Requirements and Compliance

To demonstrate that the Council is meeting the objectives of the above principles it must, as a minimum, demonstrate compliance with certain requirements, as follows:

- (a) **Publish an annual report on the Council's activities and achievements and its financial position and performance.**

Compliance is demonstrated by:

- Best Value Performance Plan – published up to and including 2005/06
- Corporate Action, Improvement and Performance Plan – 2006/07
- Annual Budget - revenue estimates and capital programmes
- Council Tax leaflet
- Annual Statement of Accounts
- Summary financial accounts produced
- External Auditor's annual Audit and Inspection Letter

Commentary:

The information is available in a number of formats including paper documents and on the Council's website (www.braintree.gov.uk).

- (b) **Publish a performance plan presenting an objective account of the Council's performance in the delivery of services and plans to maintain and improve service quality.**

Compliance:

- Corporate Action, Performance and Improvement Plan – 2006/07 onwards
- Medium Term Financial Strategy
- Business Plans supplemented by Service/Work Plans
- Best Value Inspection Reports
- Best Value Service Improvement Plans
- Performance indicators and monitoring
- Scrutiny Panel and the Policy Development Groups' (Task and Finish Groups from 2007/08) work programmes
- Annual Efficiency Statements (Planned and Achieved)

Commentary:

The Best Value Performance Plan, individual Best Value Reviews and performance indicators together provide an objective assessment of individual service performance.

- (c) **Have in place arrangements for the independent review of financial and operational reporting processes.**

Compliance:

- External audit reports and annual Audit and Inspection Letter
- Best Value Inspection reports
- Agendas and Minutes of the Council's Scrutiny Panel, Audit Panel and Policy Development Groups (Task and Finish Groups from 2007/08)
- Internal audit reports
- Audit Commission's Comprehensive Performance Assessment
- Occasional reports from other external inspectorates, e.g. Benefits Fraud Inspectorate, Audit Commission

Commentary:

This function is performed by the Council's external auditors, PKF, through their inspection and reporting regime; by the Best Value Inspection Service and Benefits Fraud Inspectorate through Inspection Reports; reports from all of these external bodies are considered and actioned, as appropriate, by the Council's Audit Panel.

- (d) **Have in place arrangements to encourage groups or individuals within the community to engage with, contribute to and participate in the work of the Council and monitor how these arrangements work in practice.**

Compliance:

- PACT (Local Strategic Partnership)
- Three Local Committees (Area Committees prior to 2007/08)
- Parish Cluster meetings involving Members/Officers
- Annual Priorities and Budget Consultation - Braintree District Business Council; Cabinet members engaging with the public at roadshows in town centres and holding meeting for key stakeholders; and seeking views on priorities through articles in local press.
- Best Value Satisfaction Surveys
- Tenant Participation
- Working in partnership on specific issues and projects
- Public Question Time at Council meetings
- Best Value Review Consultation processes
- Town Centre Strategy Groups (Braintree, Halstead and Witham)
- Scrutiny Panel and Policy Development Groups (Task and Finish Groups from 2007/08)
- Local Compact for joint working with the voluntary and community sectors in the district
- Parish Partnership Agreement (our Parish Charter)
- Various types of consultation on the Local Development Framework and the new Sustainable Community Strategy

Commentary:

The Council has a wide range of arrangements and opportunities in place with which to engage with the community.

- (e) **Make an explicit commitment to openness in all of the Council's dealings, subject to the need to preserve confidentiality in appropriate circumstances.**

Compliance:

- Council Constitution
- Publicly available Forward Plan, Agendas, Reports and Minutes – available online at www.braintree.gov.uk
- Press Releases
- Public Question Time at Council meetings
- Council page in local newspapers
- Local Compact for joint working with the voluntary and community sectors in the district
- Parish Partnership Agreement

Commentary:

The Council believes that it is open in its decision-making and plans but it needs to bear in mind that some decisions or discussions leading up to decisions need to remain private where personal or confidential matters are involved. This principle is expressed in the Council's Constitution.

- (f) **Establish clear channels of communication with the community and those with whom the Council has dealings and monitor those arrangements to ensure that they work properly.**

Compliance:

- Communications Strategy
- Braintree District Council Website (www.braintree.gov.uk)
- PACT (Local Strategic Partnership)
- Responsible Authority Group
- Three Local Committees (Area Committees prior to 2007/08)
- Town Centre Strategy groups (Braintree, Halstead and Witham)
- Council page in local newspapers
- Parish Clusters
- Partnership Boards covering Transport, Economic Development and Cultural
- Working in partnership on specific issues
- Inter-authority discussions, e.g. Association of Essex Councils, Essex Association of Local Councils, Braintree Association of Local Councils, Essex Police and other related bodies
- Braintree District Business Council
- Leisure Partnership Consultative Board and ICT Partnership Board
- 'Contact' publication circulated to all households, four times per year
- Tenants newsletter 'On the House' published three times per year
- Local Compact for joint working with the voluntary and community sectors in the district
- 'Welcome' pack available to new residents to the district
- Parish Partnership Agreement
- Parish Update – a regular newsletter sent to all Parish Councils in the district

Commentary:

This covers publicity and actual working arrangements. The PR functions are effective in putting across information from the Council. A range of publications and information exists in a variety of formats.

There are a number of public and private groups with which the Council has regular dealings and the arrangements for passing information between them are long-standing (e.g. regular meetings whether formal or informal).

Reviews are undertaken periodically of the various groups on which the Council is represented to ensure they are beneficial and continue to be 'fit for purpose'.

- (g) **Ensure that the strategic vision and priorities for the District is developed through consultation with the local community and interested stakeholders, and that they are clearly articulated and disseminated.**

Compliance:

- Consultation on the Community Strategy, the Core Strategy of the Local Development Framework and other statutory and non-statutory strategies and plans.
- Business Plans supplemented by Service/Work Plans
- Corporate Action, Performance and Improvement Plan – 2006/07 onwards
- Partnership Boards and equivalent partnership arrangements
- Local Compact for joint working with the voluntary and community sectors in the district
- Parish Partnership Agreement
- Annual Priorities and Budget Consultation - Braintree District Business Council; Cabinet members engaging with the public at roadshows in town centres and holding meeting for key stakeholders; and seeking views on priorities through articles in local press.

Commentary:

The Council will need to continue to increase its effectiveness in consulting 'hard to reach' groups. Our aim will be to increase effectiveness in the future by building on the lessons learned to date and being clear about how we can consult with these groups using our own resources and where we need to utilise the contacts and lines of communication in other organisations or specialist services.

2.0 SERVICE DELIVERY ARRANGEMENTS

2.1 Principles

The Council will monitor the implementation of its agreed policies and decisions and aim to achieve continuous improvement in the procurement and delivery of services.

To show that it is achieving these objectives the Council will:

- Discharge accountability for service delivery at a local level
- Ensure effectiveness by setting targets and measuring performance
- Demonstrate integrity in dealings with service users and in developing partnerships to ensure local services meet local needs and expectations
- Demonstrate openness and inclusivity through consulting with service users, and responding to changing needs and wishes.

2.2 Requirements and Compliance

To show that the Council is meeting the objectives of the principles above it must, as a minimum, demonstrate compliance with certain requirements as follows:

- (a) **Performance standards and targets for service delivery must be set and published. They must take account of the Council's equality policies.**

Compliance:

- Community Strategy
- Corporate Action, Improvement and Performance Plan 2006/07
- Business Plans supplemented by Service/Work Plans
- Corporate Equality Policy
- Equal Opportunities Policy
- Asset Management Plan
- Public Service Agreement and Local Area Agreement

Commentary:

The Corporate Action, Performance and Improvement Plan is to be widely published and sets out the targets and standards for many services. Individual services also have their own Service Plans.

- (b) **Systems should be put in place to provide management information for performance measurement purposes**

Compliance:

- Performance Management Framework supported by Covalent computer system
- Quarterly performance monitoring and measurement
- Performance Indicators – National and Local
- Staff performance reviews
- Programme management approach to performance and project co-ordination
- Data Quality Policy drafted

Commentary:

Management Board, Cabinet, Scrutiny and Audit Panels regularly review performance against targets.

- (c) **Performance should be monitored and reported against agreed standards and targets.**

Compliance:

- Individual Service Plans
- Best Value performance indicators, local performance indicators and activity indicators for services
- Quarterly Performance and Budgetary reports
- Efficiency and Performance Programme Board, a sub group of Cabinet, was established during 2006/07 to monitor and review performance and efficiency programme progress
- Annual audit validation of Best Value Performance Indicators by external auditors

Commentary:

Management Board, Cabinet and Audit Panel regularly review performance against targets.

- (d) **Arrangements should be in place for allocating resources according to priorities.**

Compliance:

- Priorities and Funding Review 2006-09
- Annual strategy workshop held by Leadership Group
- Corporate Action, Performance and Improvement Plan includes resource assessments for all priority actions and projects
- Annual budget process allocates both revenue and capital resources to priorities, including corporate objectives and Best Value.
- Priority and Non-priority areas are identified in the Medium-Term Financial Strategy
- Capital Strategy and Asset Management Plan

Commentary:

The Council's resources are allocated in accord with need.

- (e) **Services should meet the needs of the local community and operate effectively. The Council should establish relationships and partnerships with other public sector agencies and private and voluntary sector bodies. It should also consider Best Value in the procurement and delivery of local services.**

Compliance:

- Consultation on Community Strategy, the Core Strategy of the Local Development Framework and other plans and strategies. From the agreed plans and strategies evolve services that meet those needs.
- PACT (Local Strategic Partnership)
- Framework for Partnership Working adopted
- Working groups established with partners to develop and lead on the delivery of the Community Safety Strategy
- Braintree Housing Partnerships
- Partnership Boards covering Transport, Economic Development, Cultural, Health/Older people, Children and Young People, and Crime and Disorder Reduction
- West Essex Waste Management Joint Committee
- Adopted Local Plan (2005)
- Strategic partnership with Serco (formerly ITNET) for the provision of Information and Communications Technology services
- Leisure services outsourced to DC Leisure Ltd.
- Partnership arrangements for the provision of legal services
- The Mid Essex Primary Care Trust represents a partnership agreement between Essex County Council, Braintree District Council (for sheltered accommodation and Carecall service) and the Primary Care Organisation.
- Procurement Strategy
- Procurement Hub established and operational providing procurement services to five district councils in Essex
- Local Compact for joint working with the voluntary and community sectors in the district
- Parish Partnership Agreement
- Public Service and Local Area Agreements
- Rural Community Council for Essex – supporting Community Led Plans
- Joint declaration (based on Nottingham declaration) signed with Uttlesford DC to actively tackle climate change by working together and with other partners and local communities

Commentary:

The Council has working and consultative arrangements with a wide range of private, voluntary and public bodies. Members and Officers represent the Council on a variety of outside bodies and act as a channel for information between them and the authority. The Council has received very positive feedback on its links with the local community. The Audit Commission acknowledged that consultation undertaken by the Council was a particular strength in our CPA assessment (2004).

- (f) **The findings and recommendations of external auditors and inspectors should be responded to and arrangements should be in place to ensure that agreed actions are implemented.**

Compliance:

- External Auditor's annual Audit and Inspection Letter and other ad-hoc audit reports
- Best Value Inspection reports
- Benefits Fraud Inspectorate report
- Home Office Surveillance Commissioner
- British Standards Inspectorate
- Investors in People
- Audit Commission inspection on National Fraud Initiative

Commentary:

The Management Board, Cabinet and Scrutiny and Audit Panel consider reports received, agree action(s), as appropriate, and subsequently monitor implementation.

External auditors have full access to the Council's financial and other information and they report annually via their Audit and Inspection Letter on the Council's accounts, management and audit arrangements. A representative from the external auditors attends each meeting of the Audit Panel. Best Value Inspectors and those for Benefits Fraud, Investors in People and British Standards Inspectorate regularly inspect the Council's services.

3.0 STRUCTURES AND PROCESSES

3.1 Principles

The Council's political and managerial structures and processes should be based on the need for effective decision-making and the exercise of authority.

To achieve this the Council maintains arrangements to:

- Define the roles and responsibilities of Members and Officers to ensure accountability and clarity
- Ensure that there is proper scrutiny and review of performance
- Demonstrate integrity by ensuring a proper balance of power and authority
- Produce and make widely available clear written descriptions of systems and structures

3.2 Requirements and Compliance

To show that the Council is meeting the objectives of the above principles it must, as a minimum, demonstrate compliance with the following requirements:

Balance of Power and Authority

- (a) **There should be clear protocols on relationships between Members and Officers.**

Compliance:

- The Council's Constitution refers to the conduct of Members in Part 5.
- The conduct of Officers is referred to in Part 5 of the Council's Constitution. Officers are also bound by their professional codes of conduct.
- A protocol on Member/Officer relations is provided in Part 5 of the Council's Constitution.
- Monitoring Officer
- Standards Committee

Commentary:

Various sections of the Constitution deal primarily with this. The Constitution is reviewed periodically.

- (b) **The roles and responsibilities of Members and Officers should be clearly defined.**

Compliance:

- *Members* – parts of the Council’s Constitution describe the general and specific roles of elected members:
 - Part 1 gives an overall description of Councillors, the Council’s structure and explains how decisions are made.
 - Part 2 Article 2 deals with Councillors specifically and outlines their roles and functions together with their rights and duties etc.
 - Part 3 of the Constitution 'Responsibility for Functions' outlines the role of the Leader of the Council, the Cabinet Member, the Chair of Scrutiny and Audit Panels and all Councillors.

- *Officers*- parts of the Constitution relate to officers :
 - Part 2 Article 12 of the Constitution sets out, amongst other things, the management structure of the authority, the role of statutory officers and the responsibilities of particular officers.
 - Part 8 of the Constitution sets out the provisions and definitions of the Council’s Proper Officers.
 - All employees have written job descriptions.

Commentary:

The arrangements are detailed fully in the Council’s Constitution.

Roles and Responsibilities of Members

- (c) **Members should meet on a formal basis regularly to set the strategic direction of the Council and to monitor service delivery.**

Compliance:

- The Council’s programme of meetings for the Council, Cabinet, Scrutiny, Audit, Policy Development Groups (Task and Finish Groups from 2007/08) and other committees is produced and published annually.
- The Council is responsible for agreeing the policy framework and budget of the authority. The Cabinet is responsible for implementing the Council's policy framework and monitoring performance of service delivery. Both the Cabinet and the Audit Panel through consideration of quarterly performance reports carry out monitoring.
- Efficiency and Performance Programme Board, a sub group of Cabinet, was established during 2006/07 to monitor and review performance and efficiency programme progress

Commentary:

The arrangements are detailed in the Council’s Constitution.

- (d) **Develop and maintain a scheme of delegated powers and produce details of those matters which are reserved for the collective decision of the Council.**

Compliance:

- Details of delegated powers to the Leader of the Council, Cabinet Members and Officers are provided in Part 3 of the Constitution.
- Matters that are reserved for determination by the Full Council are set out in Part 2 Article 4 of the Constitution.

Commentary:

The Constitution sets out clearly the delegation arrangements.

- (e) **There should be in place clear management processes that describe policy development, implementation and review. There should be similar arrangements for decision-making, monitoring and control. The conduct of the Council's business should be controlled by formal procedural and financial regulations.**

Compliance:

- The Constitution describes the processes for policy development via the Cabinet and the Full Council. The terms of reference of the Council, Cabinet, Policy Development Groups (Task and Finish Groups from 2007/08), Scrutiny Panel and Audit Panel and Committees are all set out within the Constitution.
- The officer structure reflects these processes in the form of the Management Board, Senior Managers Group and internal service arrangements.
- The Council has in place Standing Orders for the Regulation of the Proceedings and Business of the Council, Standing Orders with regards to Contracts and Financial Regulations. These are provided in Part 4 'Rules of Procedure' of the Council's Constitution.

Commentary:

The Constitution sets out the management processes.

- (f) **Members should be properly trained for their roles and have access to all relevant advice, information and resources to enable them to carry out their duties**

Compliance:

- The Council has a development and training programme for Members.

- Other support and assistance is provided in the form of:
 - the Democratic Services section which provides administrative and information services
 - Members accommodation at Causeway House
 - the Complaints/Overview and Scrutiny Service Unit provides support to the Policy Development Groups (Task and Finish Groups from 2007/08) and Scrutiny process
 - a ready and flexible approach among service areas to assist all Members in their duties by providing information and assistance on request (in accordance with the protocol on Member/Officer relations).
- Members' Focus published monthly containing issues and items of interest for members

Commentary:

The arrangements outlined above show that this requirement is fully met.

(g)

The roles of the Cabinet Members are formally defined in writing.

Compliance:

- The roles and responsibilities of the Cabinet Members are contained in Part 3 of the Council's Constitution.

Commentary:

The Constitution sets out the roles and responsibilities.

(h)

The roles and responsibilities of all Members, together with the terms of their remuneration and its review, are defined in writing

Compliance:

- The roles and responsibilities of Members are provided in Part 3 of the Council's Constitution.
- The Members' Allowances Scheme together with the levels of remuneration, as confirmed by an independent Remuneration Panel, are provided in Part 6 of the Constitution.
- A summary of the amounts paid to Members is published annually in the Statement of Accounts.

Commentary:

Both elements are covered within the Constitution.

Roles and Responsibilities of Officers

(i)

A Chief Executive or equivalent should be made responsible for all aspects of operational management.

Compliance:

- The Council has appointed a Chief Executive, who is also the Head of the Paid Service (a statutory post).
- The Chief Executive fulfils this role, with the assistance of the Management Board.
- The functions of the Chief Executive are outlined in Part 2 Article 12 of the Constitution.
- The management structure of the Council is described within Part 7 of the Constitution.

Commentary:

The post of Chief Executive and the overall officer structure cover this requirement.

- (j) **An Officer must be made responsible for giving advice on financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial control.**

Compliance:

- The Finance Director, who is a member of the Management Board and is the designated Section 151 Officer.
- The functions of the Finance Director are outlined in Part 2 Article 12 of the Constitution.
- All Council, Cabinet and committee reports are required to contain a reference to all financial implications of the subject matter.
- Annual Budget Book and Statement of Accounts prepared.
- Regular budget monitoring (revenue and capital), Treasury Management and other financial reports produced as appropriate.
- Annual statement produced on the robustness of the estimates and the adequacy of the financial reserves.

Commentary:

Responsibility rests with the Finance Director.

- (k) **An Officer must be made responsible for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other statements of good practice are complied with.**

Compliance:

- The Council's statutory Monitoring Officer reports directly to the Chief Executive.
- Other Officers of the Council, e.g. Internal Audit Manager, Head of Law and Governance, Procurement Manager, also have responsibilities for assisting in these areas.
- The functions of the Monitoring Officer are outlined in Part 2 Article 12 of the Constitution.

Commentary:

Requirement met fully.

- (l) **The roles and responsibilities of senior officers should be defined, along with their remuneration and review.**

Compliance:

- Job Description in place for all staff.
- Remuneration for all Council employees is a matter for local negotiation under the Council's scheme and conditions of service.
- A designated Member Review Panel reviews the performance of the Chief Executive and Directors annually.
- Annual Performance Review of all staff.

Commentary:

This is complied with by way of job descriptions. The remuneration of posts and their review is dealt under well-established local arrangements.

- (m) **There should be protocols and codes of conduct adopted to ensure that the implications for supporting community political leadership for the whole council are acknowledged and resolved.**

Compliance:

- Protocol on Member/Officer relations is contained in Part 5 of the Council's Constitution

Commentary:

The protocol is a statement of current and recommended good practice and convention.

4.0 RISK MANAGEMENT AND INTERNAL CONTROL

4.1 Principles

The Council should maintain a systematic strategy, framework and processes for managing risk and internal control.

Risk Management

Risk Management is the term applied to a logical and systematic method of establishing the context, identifying, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable organisations to minimise losses and maximise opportunities. The arrangements for risk management:

- Include publicising the strategy and processes involved
- Provide for monitoring and review against agreed targets and standards
- Incorporate systems to identify, control and monitor significant strategic and operational risks
- Are established and maintained in consultation with users and partners, and
- Are updated in the light of changed circumstances or requirements.

Internal Control

Internal control is the action taken by management to plan, organise and direct performance within the management process. The arrangements for internal control:

- Accomplish established objectives and goals for operations and programmes
- Ensure the economical and efficient use of resources
- Safeguard resources
- Ensure the reliability and integrity of information, and
- Comply with policies, plans, procedures, laws and regulations.

4.2 Requirements and Compliance

The Council meets the objectives of the above principles by demonstrating compliance with the following requirements:

- (a) **In conjunction with those who plan and deliver services, develop and maintain systems for identifying and evaluating risks.**

Compliance:

- Risk Management Policy and Implementation Strategy – agreed in February 2004, regularly reviewed and updated – latest update agreed April 2006.
- Business and Service Plans provide for the identification of risks.
- Audit Panel responsible for reviewing maintenance of an effective system of risk management.
- Computerised Risk Register – records maintained of all identified operational and strategic risks.
- Internal Audit Plan.
- Internal Quality Audits.
- Management Board is responsible for identifying and managing the Council's strategic risks. Strategic risks are reviewed and updated half-yearly.
- Committee reports contain details of risk(s), as appropriate.
- Leaflet issued to all staff outlining the Council's Risk Management policy and responsibilities, in September 2005.
- Training on Risk Management provided to members and officers.
- Risk Management is included as an element within the induction course for all new members of staff.

Commentary:

The Council has adopted a Risk Management Policy. Processes for identifying, evaluating and monitoring both strategic and operational risks have been introduced.

- (b) **The Council should have effective risk management systems, including internal control and audit systems. They should comply with relevant statutes and regulations and safeguard the use of public funds.**

Compliance:

- Standing Orders for the Regulation of the Proceedings and Business of the Council (Part 4 of the Constitution)
- Standing Orders with regard to Contracts (Part 4 of the Constitution)
- Financial Regulations (Part 4 of the Constitution)
- The scheme of delegated powers to the Leader of the Council, Cabinet Members and Officers is contained in Part 3 of the Constitution.
- Internal Audit Plan
- External Audit annual plan and reports
- Performance Management System includes quarterly report to Cabinet, Scrutiny and Audit Panels, and Management Board
- Complaints process
- Annual performance review of all staff

Commentary:

The Council has adopted a Risk Management Policy. Processes for identifying, evaluating and monitoring both strategic and operational risks have been introduced. The Audit Panel has responsibility to provide assurance to the Council on the adequacy of internal control.

(c) **Services should be delivered by trained and experienced people**

Compliance:

- As part of the selection of employees for particular posts, a job specification, in terms of knowledge, qualifications and training, is produced and the suitability of candidates is assessed against it.
- All members of staff are offered appropriate on the job training and are encouraged and assisted to gain professional qualifications where desirable.
- Every endeavour is made to ensure that where a service is provided by an external body or provider on behalf of the Council that suitably trained and experienced people undertake those duties.
- Investors In People (IIP) accreditation.

Commentary:

The Council's recruitment and selection process ensures that Officers and other service providers have the appropriate skills and experience for the roles they are in and will support such officers after their appointment. A post appointment probationary system forms part of the monitoring process.

The strong commitment to training and continuous professional development also confirms compliance in this area. The Council has IIP accreditation for all internal services.

(d) **There should be arrangements to review the effectiveness of risk management and internal control and audit.**

Compliance:

- Audit Panel responsible for ensuring effectiveness of systems of internal control and risk management
- Annual review of Internal Audit Plan, plan is formulated on assessment of risks and reference to the Risk Register
- External Audit as part of their annual review of Internal Audit
- Annual Internal Audit report produced
- Annual Audit and Inspection Letter and other external audit reports
- Committee reports contain details of risk(s), as appropriate.

Commentary:

The Audit Panel has responsibility to provide assurance to the Council on the adequacy of internal control. The Committee receives regular reports from both Internal and External Audit services and ad hoc reports from other external agencies/ inspectorates. In addition External Audit reports specifically on the reliance that it is able to place on the work of the Internal Audit section and the levels of internal control, on an annual basis.

(e) **The relationship between Council employees and external auditors and inspectors should be cordial and professional.**

Compliance:

- External Auditor's annual Audit and Inspection Letter
- Best Value Inspection reports
- Benefits Fraud Inspectorate report
- Service Level Agreement between External and Internal Audit
- Comprehensive Performance Assessment report published in June 2004

Commentary:

In addition to the above a senior representative of the external auditors attends each meeting of the Audit Panel.

- (f) **A statement and assessment of the Council's risk management and internal control mechanisms should be published as part of the annual report.**

Compliance:

- Statement of Internal Control included in the annual Statement of Accounts

Commentary:

Statements of assurance on Corporate Governance arrangements and on the Statement on Internal Control have been provided in the Council's Statement of Accounts since 2002/03.

5.0 STANDARDS OF CONDUCT

5.1 Principles

In order to establish and preserve a good reputation for the Council, its Members and employees must adopt and demonstrate high standards of openness, integrity and honesty.

To this end the Council will:

- Define the standards expected of members and staff and act by example
- Establish investigative and disciplinary procedures to deal with those failing to meet expected standards
- Monitor compliance with any standards or associated codes
- Ensure relationships within the organisation are objective and impartial
- Produce written procedures, which are made widely available and reviewed regularly.

5.2 Requirements and Compliance

The Council meets the objectives of the above principles by demonstrating compliance with the following requirements:

- (a) **The Council should develop, adopt and ensure compliance with codes of conduct for Officers and Members and those acting in the name of the Council.**

Compliance:

- Member and Officer codes of conduct are included in Part 5 of the Constitution.
- Those acting on behalf of the Council are informed, through contract or other arrangements, that they must meet certain minimum standards of behaviour and probity.
- Complaints of breaches of the Members Code of Conduct will be investigated by an Ethical Standards Officer appointed by the Standards Board for England or referred for local investigation to the Council's Monitoring Officer. The Council's Standards Committee promotes and maintains high standards of conduct, monitors the operation of the Code of Conduct and advises the Council on any revision of the Code.
- In the case of Officers, the Council has disciplinary procedures, which are followed in the event of breaches of the officer code. Managerial arrangements and performance review also ensure that staff are monitored and their standards of work examined and maintained.
- Fraud, Corruption and Dishonesty Policy
- Corporate complaints procedure
- Whistleblowing Policy
- Anti Money Laundering Policy

Commentary:

The Council ensures compliance with codes of conduct through the measures above.

- (b) **Introduce arrangements to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in performing their duties.**

Compliance:

- Issues such as the avoidance of bias and conflicts of interest are dealt with in the codes of conduct and are specifically covered in the contracts standing orders and disciplinary standards for employees.
- Corporate Equality Policy
- Equal Opportunities policy
- Register of Members' Interests
- Standards Committee
- Declaration of Interest is a standard item at all committee meetings.

Commentary:

The Council treats the public and others with whom it has dealings fairly, equally and courteously. Where these standards are not met procedures exist by which complaints can be redressed.

- (c) **Ensure that procedures are fair and meet the highest ethical standards.**

Compliance:

- The Constitution in Part 2 Article 3 gives a commitment that the Council will respect citizens' rights and specifically refers to their rights on information, participation and complaints.
- The Council has clear procedures for dealing with complaints by the public.
- Internally, staffing procedures for recruitment and disciplinary matters are based on current best practice and have been agreed with those groups representing the staff.
- Other procedures, such as rules governing the conduct of meetings, are also set out in the Constitution and again are based on current best practice or established models.
- The Council has established a Standards Committee to promote ethical standards
- Ethical Governance audit with members and officers undertaken jointly by the Audit Panel and Standards Committee in August/September 2006

Commentary:

The arrangements and commitments referred to above show that the Council complies with the need to have in place clear and effective procedures for dealing with the public and staff and in reaching decisions.

The procedures are regularly reviewed to ensure that high standards are maintained.

Action:

Implement action plan agreed as a result of the Ethical Governance Audit.

(d) **Introduce arrangements for whistleblowing for Council staff and contractors.**

Compliance:

- The Council has adopted a Whistleblowing Policy and Statement.
- The Policy defines malpractice and states that the identity and well-being of anyone reporting such cases will be protected.

Commentary:

The policy and statement on whistleblowing covers both staff and contractors.