

## **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.

## **2. PRINCIPLES OF GOOD CORPORATE GOVERNANCE**

- 2.1 The authority supports and will apply the core principles of good corporate governance. In determining the Council's own Code of Governance it has elected to combine principles (c) and (d), set out at 1.4 above, into one principle "Defining the vision and outcomes for the local area and determining the actions necessary to achieve the intended outcomes". How the Council will do this is set out in the table below:

**CODE OF CORPORATE GOVERNANCE**

<b>Sub Principles</b>	<b>Arrangements the Council has in place</b>
<b>Core Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>	
<b>Behaving with integrity</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The Council has a set of values.</li> <li>• All new Members and Employees are made aware of the Conduct of Conduct when they join the Council.</li> </ul>
<b>Demonstrating strong commitment to ethical values</b>	<ul style="list-style-type: none"> <li>• A framework of policies for Confidential Reporting and Anti-Fraud &amp; Bribery to discourage inappropriate activities and to encourage the reporting of any instances found.</li> <li>• Members are required to declare any conflicts of interest annually and at meetings.</li> <li>• 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.</li> </ul>
<b>Respecting the rule of law</b>	<ul style="list-style-type: none"> <li>• The Council has in place a Monitoring Officer who works with Members and Employees to ensure that the law is adhered to.</li> <li>• There is a protocol in place for the Monitoring Officer, which sets out their role and supports them in fulfilling their responsibilities.</li> <li>• Legal advice is given in reports for all decisions to be taken by Members.</li> </ul>
<b>Core Principle 2: Ensuring openness and comprehensive stakeholder engagement</b>	
<b>Openness</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Engaging with stakeholders effectively, including individual citizens and service users</b>	<ul style="list-style-type: none"> <li>• The Council is working on a Customer Access Strategy which will outline our commitment to customer engagement and consultation.</li> <li>• 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.</li> </ul>

**CODE OF CORPORATE GOVERNANCE**

<b>Sub Principles</b>	<b>Arrangements the Council has in place</b>
<b>Core Principle 3: Defining the vision and outcomes for the local area and determining the actions necessary to achieve the intended outcomes</b>	
<b>Defining outcomes</b>	<ul style="list-style-type: none"> <li>• The Council has established a clear vision of what it wants to achieve for the District and this is set out in the Corporate Plan. The Corporate Plan has been informed by an analysis of the needs of the District and through consultation.</li> </ul>
<b>Planning and delivery of outcomes</b>	<ul style="list-style-type: none"> <li>• The Corporate Plan identifies a range of targeted actions and projects to help in achieving the priorities.</li> <li>• Performance in delivering the Corporate Plan is monitored by the Leadership Team (Officers), the Cabinet and the Scrutiny Committees (elected Members).</li> <li>• The Council's day to day services support the delivery of the vision and priority promises.</li> </ul>
<b>Core Principle 4: Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>	
<b>Developing the Council's capacity</b>	<ul style="list-style-type: none"> <li>• Reviews of activities are undertaken to ensure continuous improvement in the delivery of services.</li> <li>• 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.</li> </ul>
<b>Developing the capability of the Council's elected Members and employees</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The Constitution also contains Financial Regulations and Procurement Regulations which provide a framework for officers in running services and making decisions.</li> <li>• An induction programme is in place to provide training and support for all new Members and employees.</li> <li>• Employees have an annual personal development review to assess their progress, performance and to identify any training and development needs.</li> <li>• The development of Members is led by the political groups but access to training is also made available through the Council.</li> <li>• 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.</li> </ul>

**CODE OF CORPORATE GOVERNANCE**

<b>Sub Principles</b>	<b>Arrangements the Council has in place</b>
<b>Core Principle 5: Managing risks and performance through robust internal control and strong public financial management</b>	
<b>Managing risk</b>	<ul style="list-style-type: none"> <li>• The Council has a risk management policy and strategy in place.</li> <li>• A Strategic Risk Register is maintained by the Leadership Team and progress is monitored by the Cabinet and the Audit &amp; Accounts Committee.</li> <li>• Operational risks are identified and managed within the respective service areas.</li> </ul>
<b>Managing performance</b>	<ul style="list-style-type: none"> <li>• The performance in delivering day to day services is managed by the service managers and monitored by the Leadership Team.</li> <li>• The performance in delivering the Council's priorities is monitored by the Cabinet.</li> <li>• There are a three Scrutiny Committees in place which monitor the performance of the Council and hold the Cabinet to account for the decisions it makes.</li> </ul>
<b>Robust internal control</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The Internal Audit Section undertakes reviews of the systems that comprise the internal control and governance framework, provides assurance and makes recommendations for improvement.</li> <li>• The Audit &amp; Accounts Committee receives reports from the Chief Internal Auditor 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.</li> </ul>
<b>Managing data</b>	<ul style="list-style-type: none"> <li>• The Council has a Data Protection Officer and policy in place to ensure that personal data is held securely and managed appropriately.</li> </ul>
<b>Strong public financial management</b>	<ul style="list-style-type: none"> <li>• The Head of Financial Management is appropriately qualified, experienced and complies with the Cipfa Statement on the Role of the Chief Finance Officer in Local Government.</li> <li>• The Head of Financial Management prepares and advises the Council on its Medium Term Financial Strategy and the budget.</li> <li>• Regular budget monitoring reports are provided to Members and Officers.</li> <li>• Financial Regulations provide a framework for the day to day management of the Council's financial transactions.</li> </ul>

**CODE OF CORPORATE GOVERNANCE**

<b>Sub Principles</b>	<b>Arrangements the Council has in place</b>
<b>Core Principle 6: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>	
<b>Implementing good practice in transparency and reporting</b>	<ul style="list-style-type: none"> <li>• The following information is reported annually to Members and is available on the Council’s website:               <ul style="list-style-type: none"> <li>➤ Performance in delivering the Council’s priorities;</li> <li>➤ Statement of Accounts;</li> <li>➤ Annual Internal Audit Report;</li> <li>➤ Annual External Audit Letter; and</li> <li>➤ Annual Governance Statement.</li> </ul> </li> </ul>
<b>Assurance and effective accountability</b>	<ul style="list-style-type: none"> <li>• The Internal Audit Section provides assurances throughout the year on the key systems of internal control.</li> <li>• The External Auditor provides assurance on the Council’s financial statements.</li> <li>• An annual review is undertaken of the Council’s governance arrangements.</li> <li>• From time to time, the Council invites/ receives reviews of its services, often through accreditations, and acts on the recommendations made.</li> <li>• The Council has a compliments and complaints policy.</li> </ul>

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

### **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 be reported on both within the authority, to the Audit & 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.

3.2 The authority will prepare an annual Governance Statement and is 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 & Accounts Committee for consideration and approval.

3.3 The Governance Statement will include the following information:

- a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of: the authority; the Executive; the Audit & Accounts Committee; the overview and scrutiny function; the Standards Committee; internal audit and other explicit review/assurance mechanisms including risk management arrangements;
- an opinion on the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide
- an outline of the actions taken, or proposed, to deal with significant governance and internal control issues.

3.4 Approval and ownership of the Governance Statement will be maintained at a corporate level and will be confirmed by the Chief Executive and Leader signing the statement on behalf of the authority.

3.5 In reviewing and approving the Governance Statement, Members will be provided with assurances on the effectiveness of the governance framework. The key sources of assurances will be:

- Internal and External Audit;
- the Statutory Officers;
- management; and
- relevant Committees.

## 4. RESPONSIBILITIES

4.1 Corporate governance and good governance is everyone's responsibility.

4.2 There is 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.

4.3 **The Chief Executive and the Leader** will be responsible for:

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

4.4 **The Head of Governance & Corporate Services and the Monitoring Officer** will be responsible for:

- overseeing the implementation and monitoring of the Code;
- 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 Governance as necessary.

4.5 **The Head of Governance & Corporate Services** will be responsible for:

- undertaking an annual review of the Code, to provide assurance on the extent of compliance with it. Details of the extent to which the authority is complying with the Code will be included within the Annual Governance Statement;
- co-ordinating the Council's governance assurances processes; and
- co-ordinating the production of an Annual Governance Statement which will represent the overall levels of assurance within the Council on behalf of all Members and officers.

4.6 **The Monitoring Officer** will be responsible for:

- preparing an annual Monitoring Officer's Statement, which will also form part of the assurance required to be demonstrated in the annual Governance Statement.

4.7 **The Head of Financial Management** will be responsible for:

- preparing an annual section 151 Officer's Statement, which will also form part of the assurance required to be demonstrated in the annual Governance Statement.

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

- reporting annually to the Audit & 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.

**Glossary**

<b>Term</b>	<b>Explanation</b>
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