Local Code of Corporate Governance 2019/20

INTRODUCTION

Corporate governance is a term used to describe the way that the Council is directed and controlled and its activities through which it accounts to, engages with and, where appropriate, leads the community. It includes the behaviours and values, systems and processes that underpin the Council's arrangements for effective:-

- Leadership
- Management
- Performance
- Delivery of positive customer outcomes
- Community engagement
- Stewardship of public money.

Through this, it enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

GOOD CORPORATE GOVERNANCE

Arun District Council is committed to the principles of good corporate governance identified in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework (2016)' and confirms its commitment through the adoption, development and monitoring of its own Local Code of Corporate Governance.

ARUN
DISTRICT COUNCIL

This Framework is based upon the International Framework: Good Governance in the Public Sector, CIPFA / IFAC, 2014 which defines governance as follows:-

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved

It also states that:-

To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times

Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders

The Council recognises that organisations with good corporate governance demonstrate the capacity to maintain high quality services and to deliver improvement. It will also encourage stakeholders to have confidence in us and allow the Council to undertake its role with its community.

This document sets out Arun District Council's *Local Code of Corporate Governance* and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives.

The Council's Governance & Risk Group has responsibility for:-
- overseeing the implementation and monitoring of the Code
- reviewing the operation of the Code on an annual basis
- agreeing and reporting on any significant revisions to the Code
- reporting annually to Members (via the Audit & Governance Committee) on compliance with the Code and on any actions that may be needed to ensure its effectiveness in practice (in conjunction with the preparation and approval of the Council's Annual Governance Statement).

CORE PRINCIPLES

The Code is based upon the following core principles (as set out in the 2016 Framework):-

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 the 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
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability

The correlation of these core principles is shown in the diagram below:-
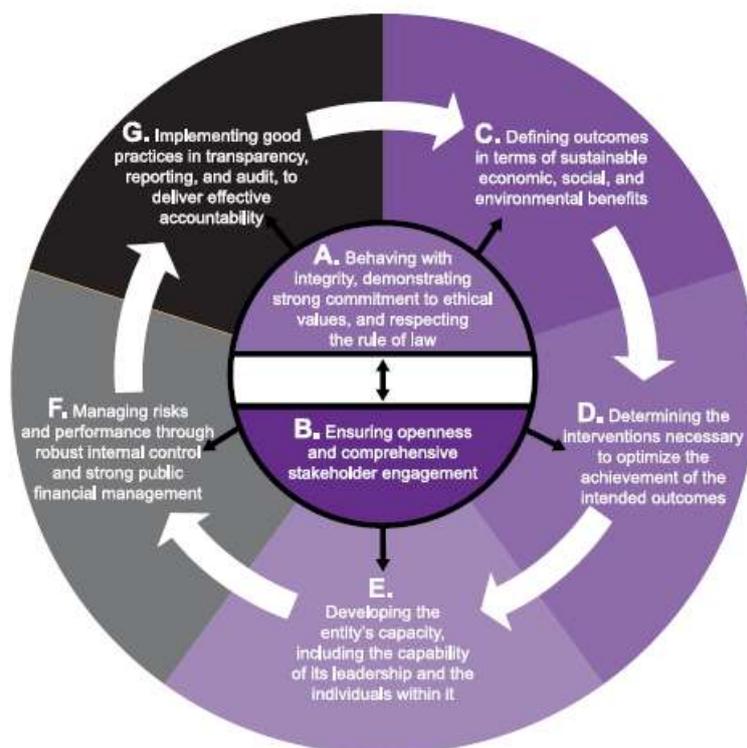
The following shows how the Council meets these core principles:-

Principles	Sub-Principles	Demonstrated By
Acting in the public interest requires a commitment to and effective arrangements for:		
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Behaving with integrity	The Council's leadership sets a tone for the organisation by creating a climate of openness, support and respect
		Appropriate policies and processes are developed to embed the principles
	Demonstrating strong commitment to ethical values	Shared values, including leadership values, are developed and maintained for both the Council and its staff. These reflect public expectations and are communicated to Members, staff, the community and partners
	Respecting the rule of law	Standards of conduct and personal behaviour expected of Members and staff are defined and communicated through Codes of Conduct and protocols
		Council leadership recognises the limits of lawful action and observes both legislation and general responsibilities placed on local authorities
		Mechanisms are in place to deal with breaches of legal and regulatory provisions effectively

B. Ensuring openness and comprehensive stakeholder engagement	Openness	The Council is committed to openness and transparency in all its dealings, subject only to the need to preserve confidentiality where it is proper and appropriate to do so
		Open and effective mechanisms are in place for recording decisions and the evidence on which these are based
	Engaging comprehensively with institutional stakeholders [1]	Consideration is given to the institutional stakeholders to whom the Council is accountable and assessment made on the effectiveness of the relationship and any changes required
	Engaging with individual citizens and service users effectively	Ensuring that clear channels of communication are in place with all sections of the community and other stakeholders, including monitoring arrangements to ensure that they operate effectively
		Undertaking appropriate consultation and customer satisfaction exercises
In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good also requires a commitment to and effective arrangements for:		
C. Defining outcomes in terms of sustainable economic, social and environmental benefits	Defining outcomes	Developing and promoting the Council's purpose and vision and using this as a basis for corporate / service planning and shaping other key strategies
		Focussing on the purpose of the Council and on outcomes for the community and publishing them annually as part of the Corporate Plan
	Sustainable economic, social and environmental benefits	Regular review of the Council's vision and its implications for the Council's governance arrangements and economic, social and environmental benefits
		Consideration of social and environmental impacts in policies / decisions
		Supporting / promoting environmental initiatives for itself and its residents
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Determining interventions	Published annual and periodic reports to the public and Members which communicate the Council's activities, achievements, plans, financial position and performance
		Interventions required are identified through these reports
	Planning interventions	Performance, audit, risk and finance information is used to identify areas of concern and to plan required interventions
	Optimizing achievement of intended outcomes	An agreed annual Budget and Medium Term Financial Strategy to ensure that finances are available to enable delivery of the Council's plans

		SMART outcomes, of benefit to the community, underpinned by robust plans and efficient business activity
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	Developing the entity's capacity	Clear vision, strategy and direction, underpinned by capable leadership (reinforced by the 2016/17 management restructure) Ongoing work, following-on from the 2020 Vision programme, to ensure the best provision of future services that can be delivered effectively
	Developing the capability of the entity's leadership and other individuals	Recruitment and retention of high performing staff and supplier partners Development training provision for senior managers
F. Managing risks and performance through robust internal control and strong public financial management	Managing risk	Embedded risk management processes which are linked to corporate priorities, project delivery and organisational processes Horizon scanning for potential future risks / opportunities
	Managing performance	Performance targets set via Cabinet, with outturns regularly monitored and reported to stakeholders
	Robust internal control	Appropriate preventive / detective controls in place include segregation of duties, approval / authorisation processes, security of assets and audits (both internal and external)
	Managing data	Robust information governance standards and security mechanisms in place These have been reinforced and all staff trained to meet the requirements of the General Data Protection Regulation (GDPR) / Data Protection Act 2018
	Strong public financial management	Annual Budget agreed by Full Council, with accountable budget holders, and subject to regular monitoring / reporting Medium Term Financial Strategy and Treasury / investment Strategy agreed and regularly reviewed Audited annual statement of accounts
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability	Implementing good practice in transparency	Meeting Local Government Transparency Code requirements Member scrutiny function in place to encourage constructive challenge and performance improvement Transparency, accountability and integrity demonstrated through the Council's governance framework
	Implementing good practices in reporting	Processes for report publication ensure that there is appropriate consideration of legal, financial, technical and risk matters

		Ensuring that there is 'ownership' by appropriate senior management and Members
	Assurance and effective accountability	Ensuring that recommendations made by external audit are acted upon
		Ensuring an effective internal audit service, with direct access to Members is in place
		Welcoming peer challenge, reviews and inspections from regulatory bodies

(1) - institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable