ROCHFORD DISTRICT COUNCIL

LOCAL CODE OF CORPORATE GOVERNANCE

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LOCAL CODE OF CORPORATE GOVERNANCE

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1. Introduction

"Corporate Governance is the system by which local authorities direct and control their functions and relate to the their communities."

CIPFA/SOLACE Guidance Note

The term "Corporate Governance" came into common use following the Cadbury Report in 1992. This report addressed issues raised in relation to events at BCCI and Maxwell Communications.

The issues of corporate governance in the public sector came about as a result of concerns raised by politicians and the media with regard to conduct of public business and perceptions of sleaze in public life. The Nolan Committee found that the vast majority of Councillors and officers observe high standards of conduct and are aware that high ethical standards are critical to maintain public confidence in local government.

Whilst corporate governance has been the subject of a number of reports and publications, there has not been a comprehensive framework of principles and standards for local authorities to adhere to.

In 2001, CIPFA and SOLACE published "Corporate Governance in Local Government: A Keystone for Community Governance". This document provided comprehensive guidance as to how local authorities should address the issue of corporate governance. The Rochford Code is therefore based upon this guidance.

This document sets out Rochford District Council's local code of corporate governance and the process for monitoring and maintenance of the Code.

The Appendix to the Code shows the results of the revised assessment of how the Council complies with the Code. It also gives details of the actions the Council intends to take in order to improve compliance.

2. The Local Code of Corporate Governance for Rochford District Council

2.1 Statement of Commitment

The Rochford District Council is committed to effective leadership which is the foundation of effective corporate governance. The Council will:

- Provide a vision for the local community and lead by example in decision making and other processes and actions
- Ensure that Members and managers will conduct themselves in accordance with the highest standards of conduct.

2.2 Three Principles

The Council will abide by the three principles of good governance as set out in the CIPFA/SOLACE Guidance. It will also continually strive to ensure that they underpin the delivery services to the public.

The three principles are:

1. Openness and Inclusivity

   - Being open through genuine consultation with stakeholders and providing access to full, accurate and clear information.

   - Inclusive approach which seeks to ensure that all stakeholders and potential stakeholders have the opportunity to engage effectively with the decision making process.

2. Integrity

   - Straightforward dealing and completeness, based upon honesty, selflessness and objectivity and high standards of propriety and probity in the stewardship of public funds and management of the Council's affairs.

3. Accountability

   - 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.

In order to ensure that these three principles underpin service delivery, the Council will:

Monitor their **effectiveness**

Review , on a continuing basis, to ensure they re **up to date**.

2.3 Five Dimensions

The three principles need to be reflected within five dimensions of service delivery. The Council

will strive to ensure that the three principles will be applied within the five dimensions listed below:

1. Community Focus

   - Work for and with the community

   - Leadership within the community where appropriate

   - Undertake an "ambassadorial" role to promote the well-being of the area, where appropriate, through maintaining effective arrangements

   - For explicit **accountability** to stakeholders for the authority's performance and its effectiveness in the delivery of services and the sustainable use of resources

   - Demonstrate **integrity** in the authority's dealings in building effective relationships and partnerships with other public agencies and private voluntary sectors

   - Demonstrate **openness** in its dealings

- Demonstrate **inclusivity** by communicating and engaging with all sections of the community to encourage active participation

- Develop and articulate a clear and **up to date** vision and corporate strategy in response to community needs

2. Service Delivery Arrangements

The Council will ensure that continuous improvement is sought, agreed policies are implemented and decisions carried out by maintaining arrangements which:

   - Discharge their **accountability** for service delivery at local level

   - Ensure **effectiveness** through setting targets and measuring performance

   - Demonstrate **integrity** in dealings with service users and developing partnerships to ensure the "right" provision of services locally

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- Demonstrate **openness and inclusivity** through consulting with key stakeholders, including service users

- Are flexible so that they can be kept **up to date** and be adapted so as to accommodate changes and meet users' wishes

3. Structures and Procedures

The Council will maintain effective political and managerial structures and processes to govern decision making and the exercise of authority within the organisation. The Council will maintain arrangements to:

- Define the rules and responsibilities of Members and officers to ensure **accountability**, clarity and ordering of the Council's business

- Ensure that there is proper scrutiny and review of all aspects of performance and **effectiveness**

- Demonstrate **integrity** by ensuring a proper balance of power and authority

- Document clearly such structures and processes and ensure that they are communicated and understood to demonstrate **openness and inclusivity**

- Ensure such structures and processes are kept **up to date** and adapted to accommodate change

4. Risk Management and Internal Control

The Council will establish and maintain a systematic strategy, framework and process for managing risk. Together these arrangements should:

- Include making public statements to stakeholders on the authority's risk management strategy, framework and processes to demonstrate **accountability**

- Include mechanisms for monitoring and reviewing **effectiveness** against agreed standards and targets and the operation of controls in practice

- Demonstrate **integrity** by being based on robust systems for identifying, profiling,

controlling and monitoring all significant strategic and operational risks

- Display **openness and inclusivity** by involving all those associated with planning and delivering services including partners

- Include mechanisms to ensure that the risk management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains **up to date**

5. Standards of Conduct

The openness, integrity and accountability of individuals within the Council form the cornerstone of effective corporate governance. The reputation of the authority depends on the standards of behaviour of everyone it it, whether Members, employees or agents contracted to it.

Therefore, Members and senior officers of the Council will need to:

- Exercise leadership by conducting themselves as role models for others within the authority to follow

- Define the standards of personal behaviour that are expected from Members and staff and all those involved in service delivery, and put in place arrangements to ensure:

  Accountability, through establishing systems for investigating breaches and disciplinary problems and taking action where appropriate, including arrangements for redress

  Effectiveness in practice through monitoring and compliance

  That objectivity and impartiality are maintained in all relationships to demonstrate **integrity**

  That such standards are demonstrated and clearly understood to display **openness and inclusivity** and are reviewed on a regular basis to ensure that they are kept **up to date**

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3. Monitoring and Maintaining the Code

Rochford District Council is committed to good corporate governance as set out in the CIPFA/SOLACE Guidance. The Council will maintain ongoing development, monitoring and maintenance of the code.

3.1 Monitoring the Code

Compliance will be demonstrated by the "vowel" test recommended in the CIPFA/SOLACE Guidance:

- **Accountability**

- **Effectiveness**

- **Integrity**

- **Openness and Inclusivity**

- Keeping arrangements **up to date**

The Council adopted the code in 2002 and has reviewed it annually. A revised assessment together with identifying actions required to improve compliance has been carried out. This is set out in the Appendix to this document.

In the majority of areas only minor actions are required to achieve high levels of compliance. The main area where work is required is in implementing the formal Risk Management Strategy.

A Community Plan was adopted in June 2004. A Risk Management Strategy was adopted in July 2002, although a significant amount of work still needs to be undertaken on the implementing of this in the coming year.

The code will be used to inform the Statement of Internal Control given by the Chief Executive and Chairman of the Council.

The Corporate Policy Manager will:

- Oversee the implementation, monitoring and operation of the Code

- Review the operation of the Code in practice on an annual basis

- Report annually to the Audit Committee on compliance with the Code and any changes that may be necessary to monitor it and ensure its effectiveness in practice

In addition, the Head of Financial Services, Audit & Performance Management will review independently and report annually to Finance Overview and Scrutiny Committee to provide assurance on the adequacy and effectiveness of the Code in practice.

& Performance Management will identify any aspects of the Code that are not in place and propose any actions which would enhance compliance with the Code.

3.2 Maintaining the Code

The annual reports of the Corporate Policy Manager and Head of Financial Services, Audit

GLOSSARY

APM	Audit & Process Review Manager
BFI	Benefit Fraud Inspectorate
BVPP	Best Value Performance Plan
CE	Chief Executive
CD(IS)	Corporate Director (Internal Serviceas)
CD(ES)	Corporate Director (External Services)
CIPFA	Chartered Institute of Public Finance and Accountancy
CPA	Comprehensive Performance Assessment
CPM	Corporate Policy Manager
CP&HSM	Contingency Planning and Health & Safety Manager
CRG	Corporate Risk Group
HAMS	Head of Administrative and Member Services
HFSA&PM	Head of Financial Services, Audit & Performance Management
HOS	Head of Service
HRM	Human Resources Manager
IIP	Investors In People
LAA	Local Area Agreement
LSP	Local Strategic Partnership
PCT	Primary Care Trust
PDR	Performance Development Review
PI	Performance Indicator
RAG	Responsible Authority Group
RRAVS	Rochford & Rayleigh Association of Voluntary Services
RDC	Rochford District Council
RDM	Rochford District Matters (Council Newspaper)
SIG	Service Improvement & Development Group
SLA	Service Level Agreement
SMT	Senior Management Team
SOLACE	Society of Local Authority Chief Executives

ASSESSMENT AGAINST CODE

Dimension 1: Community Focus

1   How the principles of corporate governance should be reflected;

Through carrying out their general and specific duties and responsibilities and their ability to exert wider influence, local authorities should:

- Work for and with their communities
- Exercise leadership in their local communities, where appropriate
- Undertake an 'ambassadorial' role to promote the well-being of their area, where appropriate, through maintaining effective arrangements:
➢ For explicit **accountability** to stakeholders for the authority's performance and its **effectiveness** in the delivery of services and the sustainable use of resources
➢ Demonstrate **integrity** in the authority's dealings in building effective relationships with other public agencies and the private/voluntary sectors
➢ Demonstrate **openness** in all their dealings
➢ Demonstrate **inclusivity** by communicating and engaging with all sections of the community to encourage active participation
➢ Develop and articulate a clear and **up-to-date** vision and corporate strategy in response to community needs

The local code should reflect the requirements to:	Source documents other indicators of compliance	Evidence & current position in RDC	Plans for improvement	Score 0-10
(a) Publish on a timely basis an annual report presenting an objective, understandable account of the authority's:	Annual financial statements Performance Plan Corporate Plan	• Performance Plan produced June 2006 and available on Council website. • Corporate Plan revised in June 2006 and available on website • Financial details accompany the Council Tax bill.		8

• Activities and achievements
• Financial position and performance
The reports should include statements:
• Explaining the authority's responsibility for the financial statements
  • Confirming that the authority complies with relevant standards and codes of corporate governance
  • On the effectiveness of the authority's system for risk management and internal control
		• Statement on internal controls included in accounts and reported to committee in June/July 2006
		• Final accounts published on Council website.	

(b) Publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the authority's: • Current performance in service delivery • Plans to maintain and improve service quality	Extract from BVPP	• Performance Plan approved June 2006 and available on Council website.		8
(c) Put in place proper arrangements for the independent review of the financial and operational reporting processes	Annual audit letter and other audit reports Scrutiny committee function Inspectorate reports	• Annual audit letter findings discussed with HOS, implemented and internally monitored by Audit Committee • Inspectors' reports fed into service development where appropriate • Audit reports available internally • BFI (housing benefit) inspection recommendations implemented and monitored by committee • Improvement to the Scrutiny process introduced as a result of detailed review undertaken		8

		by Finance & Procedures Overview & Scrutiny Committee which was implemented in May 2006 • Standards committee in place since March 2002 • Audit Committee established in May 2006		
(d) Put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the authority and put in place appropriate monitoring processes to ensure that they continue to work in practice	Strategic partnership framework Stakeholders forum's terms of reference Area forums' roles and responsibilities Residents' panel structure	• The Council is engaged in a number of partnerships at operational and strategic level – Crime and Disorder, Children & Young People Partnership etc • Tenants' liaison process in place • LSP revised in July 2006 and new arrangements put in place, incorporating 5 sub-groups • LAA concluded for Essex and being implemented under auspices of LSP • Review of 5 key partnerships undertaken by Overview & Scrutiny Committee • Partnership Guidance agreed by committee in July 2006	• The role of parishes and voluntary/community sector to be clarified in the revised partnership arrangements, through Community Inclusion Group (CE) • Partnerships to be reviewed on a rolling programme, following decision of committee in July 2006	7

(e) Make an explicit commitment to openness in all of their dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by their actions and communications deliver an account against that commitment	Constitution Substantial Council information and transactions available on Website	• Amendments to constitution agreed in March 2006 • Parish protocols include consultation and access to information from the District Council • All Council meetings in public • RDM provides community information • Compliant with Freedom of Information Act requirements • E-govt developed in accordance with government targets • Committee agendas, reports and minutes published on Council website.	• Greater transparency of priorities/non priorities in budget making process and resource allocations around these from 2006 budget (HFSA&PM) • Carry through transparency around priorities/non priorities into 2006/7 Performance Plan (CE/CPM)	7
(f) Establish clear channels of communication with all sections of their community and other stakeholders, and put in place proper monitoring arrangements to ensure that they operate effectively	Partnership framework IIP accreditation Communication strategy	• Community Strategy in place since June 2004 • Parish protocols include consultation and access to information from the District Council • IIP for whole authority achieved. • RDM council newsletter delivered to all households and includes council surveys	• Corporate Communication and Consultation Strategies to be reviewed (CPM) • Community Strategy to be reviewed during 2006/07 (CPM)	7

		• Web site consultation and information giving • Housing Newsletter • Consultation Panel in place.		
(g) Ensure that a vision for their local communities and their strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated	Community strategy Performance Plan	• Service action plans developed • Community Strategy launched June 2004 • Performance Plan produced annually • RDM includes aspects from Performance plan • LSP revised as a result of review • General satisfaction survey concluded in 2003 shows higher than average customer satisfaction. • Budget report 2006/7 contains financial links to priorities • New Corporate Plan agreed	• Further development of performance management ongoing (CE) • Community Strategy to be reviewed during 2006/07 (CPM) • General satisfaction survey to be undertaken in 2006 (CPM)	6

Dimension 2: Service Delivery Arrangements				
How the principles of corporate governance should be reflected;				
A local authority should ensure that continuous improvement is sought, agreed policies are implemented and decisions carried out by maintaining arrangements which: • Discharge their **accountability** for service delivery at a local level • Ensure **effectiveness** through setting targets and measuring performance • Demonstrate **integrity** in dealings with service users and developing partnerships to ensure the 'right' provision of services locally • Demonstrate **openness and inclusivity** through consulting with key stakeholders, including service users • Are flexible so that they can be kept **up to date** and be adapted to accommodate change and meet user wishes				
The local code should reflect the requirements to:	**Source documents other indicators of compliance**	**Evidence & current position in RDC**	**Plans for improvement**	**Score 0-10**
(a) Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies	Performance Plan Corporate Equality Strategy Best value reviews	• Performance Plan produced annually • Service action plans • Surveys collect information on equality issues for analysis. • Social Inclusion Policy in place • Corporate Equalities Strategy and action plan agreed	• Review equality policies and procedures to ensure consistency of applications throughout the authority. • Undertake impact assessments • Develop approach to service monitoring • Develop more local PI's incorporating SMART targets for corporate objectives. Ongoing (HFSAP&M)	6
(b) Put in place sound systems for providing management	Performance management and information system	• Performance measurement information produced quarterly • Lead page on quarterly	• Continue to develop a culture of producing SMART targets emanating from the Corporate	6

information for performance measurement purposes		• performance reports alerts areas of concern/ good performance by each Head of Service. • The Council has clearly identified its priorities for 2006/07 • New format for performance reporting agreed by committee in July 2006	Plan/Performance Plan process – ongoing (SMT) • Develop a performance management framework to more clearly focus on the Council's priorities. (SIG) • Implement a new corporate service planning process (SIG)	
(c) Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans	Best value performance plans Scrutiny committee reports	• Performance management information produced quarterly • Performance Plan produced in June 2006 • Performance published annually in RDM • Scrutiny committee established • Service action plans reviewed and monitored bi-annually	• Monitoring of performance through committee process • Further refine our Performance Management and Service Action Plan process to highlight key priorities/indicators and areas of slippage/change where appropriate (SMT).	6
(d) Put in place arrangements to allocate resources according to priorities.	Community Plan Service Plans Budget	• Community Strategy launched June 2004. • RDC Corporate Plan/Performance Plan and service plans • Capital Plan and Programme produced and reviewed throughout the year. • Budget book	• Service planning process to link to resource allocation process (SIG)	7

		• Review undertaken of Overview & Scrutiny function and new arrangements put in place • All Committee Reports detail resource implications.		
(e) Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice	Community Strategy Adherence of good employment practice Partnership framework Protocol for: • Joint commissioning • Joint funding • Joint accountability	• Community Strategy launched June 2004 • Parish partnership protocol • Strategic and operational partnerships arrangements are in place • Priorities reflected in the RDC Performance Plan • Economic Development Strategy and Business Protocol agreed. • LSP revised and new arrangements implemented, with sub-groups reflecting LAA blocks • Member of the Procurement Agency for Essex • LAA agreed for Essex • Participation in Essex on-line partnership. • Review of key partnerships undertaken by Community Overview & Scrutiny	• Further work ongoing on reviewing the Council's participation in partnerships (APM	7

		Committee • Partnership Guidance agreed by committee in July 2006 • Partnership arrangements in place with Chelmsford on National Non-Domestic Rates and developing with Chelmsford and Maldon on Housing Benefit/Council Tax		
(f) Respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions	Annual audit letter and other audit reports Inspectorate reports	• Annual audit report recommendations discussed with HoS and implemented • Internal audit monitor recommendations of inspection and audit reports and report to new Audit Committee • Communication between internal and external audit improving. • Working to improve Council with involvement from Audit Commission Relationship Manager. • Positive CPA progress assessment on Direction of Travel	• KLOE to be used for performance/improvement (CE) • Inspection report recommendations to be included in the development of service plans	8

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Dimension 3: Structures and Processes				
How the principles of corporate governance should be reflected;				
A local authority needs to establish effective political and managerial structures and processes to govern decision-making and the exercise of authority within the organisation. A local authority should maintain arrangements to: • Define the roles and responsibilities of members and officers to ensure **accountability**, clarify and ordering of the authority's business • Ensure that there is proper scrutiny and review of all aspects of performance and **effectiveness** • Demonstrate **integrity** by ensuring a proper balance of power and authority • Document clearly such structures and processes and to ensure that they are communicated and understood to demonstrate **openness and inclusivity** • Ensure such structures and processes are kept **up to date** and adapted to accommodate change				
The local code should reflect the requirements to:	**Source documents other indicators of compliance**	**Evidence & current position in RDC**	**Plans for improvement**	**Score 0-10**
Balance of Power and Authority				
(a) Put in place clearly documented protocols governing relationships between members and officers	Protocols	• Protocols and codes of conduct are in place • New Councillors receive training in the relationship protocols • Protocols referred to in Staff Handbook.	• Protocol training to be extended to officers from spring 2006 and ongoing. (HRM)	8
(b) Ensure that the relative roles and responsibilities of executive and other	Constitution Record of decisions and supporting materials	• The constitution includes officer roles and responsibilities. • The processes for recording	• New programme of training for political skills for relevant officers to commence 2006. (HRM)	8

members, members generally and senior officers are clearly defined		decisions, referral protocols are included in the constitution. • Officers have undertaken political skills' training. • Committee reports and decisions are available to all staff via the intranet • New members have induction on the new constitution including their role and responsibility • Well developed Member training programme. • Detailed review of Overview & Scrutiny carried out and recommendations implemented with effect from May 2006		
Roles and Responsibilities – Members				
(c) Ensure that members meet on a formal basis regularly to set the strategic direction of the authority and to monitor service delivery	Schedule of council meetings Performance and management system Financial standards and regulations Budget analysis for all Members	• Council agrees a schedule of Council and committee meetings. • Meetings are currently held with the Leaders of all parties. • Performance management system is in place • Financial standards and regulations are reviewed.		9

		• Work plans for the scrutiny committee have been agreed. • A system is in place to set up task specific workgroups as sub-groups of the committee as required • Formal Member appraisal of CE in place.		
(d) Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority	Constitution	• Delegated powers are identified in the constitution and agreed by Council • The contents of the constitution have been communicated to all staff and stored on the intranet and website as control documents		9

(e) Put in place clearly documented and understood management processes for policy development, implementation and review and for decision-making, monitoring and control, and reporting; and formal procedural and financial regulations to govern the conduct of the authority's business	Constitution	• The procedures for budget and policy framework procedures are outlined in the Constitution and in the work plans for the committees. • Financial regulations are included in the Constitution. • Committee decisions brought forward through the outstanding actions list	• Ensure committee decisions continue to be auditable, understandable and actioned. Ongoing.	8
(f) Put in place arrangements to ensure that members are properly trained for their roles and have access to all relevant information, advice and resource as necessary to enable them to carry out their roles effectively	Members' induction scheme Training for committee chairs Regular update sessions Training plan	• Well developed Member training programme in place overseen by the Standards Committee. • Budget awaydays in place		8

(g) Ensure that the role of the executive member(s) is/are formally defined in writing, to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole	Constitution	• The role of the Corporate Directors is identified in the Constitution; including their delegated powers. • Review of senior officer structure undertaken and actions agreed	• Implementation of full review of senior officer structure to be completed by autumn 2006 (CE)	9
(h) Ensure that the roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review, are defined clearly in writing	Constitution Members' allowance scheme	• The members allowance scheme is identified in the constitution. This has been agreed by Council. • A review of the remuneration for members was completed in March 2002 and continues on an annual basis. Any future changes will take account of recommendations of the Remuneration Panel.		9

(i) Ensure that a chief executive or equivalent is made responsible to the authority for all aspects of operational management	Conditions of employment Scheme of delegation Statutory provisions Job description/specification Performance management system	• The Chief Executive is the Head of Paid Service. His role and delegations are identified in the Constitution. • Job Description produced. • CE is appraised by Members half-yearly.		9
(j) Ensure that a senior officer is made responsible to the authority for ensuring that appropriate advice is given to it on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control	Section 151 responsibilities Statutory provision Statutory reports Budget documentation Job description/specification	• The HFSA&PM is responsible for the financial undertakings of the Council. This function is identified in the Constitution and agreed by Council. • Job Description produced. • Budget report meets statutory requirements		9
(k) Ensure that a senior officer is made responsible to the authority for ensuring	Monitoring officer provisions Statutory provision Job	• The Corporate Director (Internal Services) is the Monitoring Officer for the Council. This function is		9

that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with	description/specific ation	identified in the Constitution and agreed by Council. • Job Description produced.		
(l) Ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are defined clearly in writing.	Job descriptions and specifications Pay and conditions of service Performance review/appraisal	• Job Descriptions exist for all staff and details of their remuneration are available • The roles and responsibilities of the Corporate Directors are defined in the Constitution. • Council has implemented a process for appraisal of the Chief Executive. • Job descriptions can be updated via PDR process. • Formal Job Evaluation in place and HAY evaluation implemented for senior staff.		9
(m) Adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole council are acknowledged and	Protocols governing member/manager relations	• Officer and Member codes of conduct are identified in the Constitution. The relationship between officers and members is defined in code of conduct relating to planning (5.10) and in the protocol for Officer/ Member relations.	• Introduction of SLA with community groups as standard, with appropriate de-minimis levels, with clear links made to corporate objectives. (CE)	8

resolved		Officer/Chairman relationships are also defined. • The support for committees is identified in constitution. • The support for political group is identified in constitution		

Dimension 4: Risk Management and Internal Control				
How the principles of corporate governance should be reflected;				
An authority needs to establish and maintain a systematic strategy, framework and processes for managing risk. Together, these arrangements should:				
• Include making public statements to stakeholders on the authority's risk management strategy, framework and processes to demonstrate **accountability**				
• Include mechanisms for monitoring and reviewing **effectiveness** against agreed standard and targets and the operation of controls in practice				
• Demonstrate **integrity** by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks				
• Display **openness and inclusivity** by involving all those associated with planning and delivering services, including partners				
• Include mechanisms to ensure that the risk management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains **up to date**				
The local code should reflect the requirements to:	**Source documents other indicators of compliance**	**Evidence & current position in RDC**	**Plans for improvement**	**Score 0-10**
(a) Develop and maintain robust systems for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services	Risk management protocol Control framework Scrutiny committee role Performance management system	• Localised system in Audit Review for identifying the annual audit plan. • The Overview and Scrutiny process has been reviewed and a new Review Committee is in place • A formal risk strategy was adopted by Council in July 2002 and has been revisited regularly since.	• Continue to embed the Risk Assessment into the culture of the organisation. Ongoing. • Ongoing review of the risk strategy and register being carried out during 2006. (CP&HSM and CRG) • Complete the overarching (business contingency) plan in relation to risk management by September 2006 (CP&HSM)	6

(b) Put in place effective risk management systems, including systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes, regulations and relevant statements of best practice and need to ensure that public funds are properly safeguarded and are used economically, efficiently and effectively, and in accordance with the statutory and other authorities that govern their use	Scheme of delegation Internal audit protocol Performance appraisal Performance management system Financial standards and regulations	• Scheme of delegation in place through the constitution. Agreed by Council. • Performance appraisal system in place. • Internal Audit system in place and an audit plan developed • Internal control systems in place relating to probity • Financial regulations in place • Procurement strategy in place 2004-2006 • Risk Management Strategy developed (July 2002). • Audit Charter in place		8
(c) Ensure that services are delivered by trained and experienced people	Job description/personal specifications Training plan	• Job descriptions and person specifications are in place. • A training plan is in place.	• Implementation of the Workforce Development Plan ongoing.	8

		• Corporate Training and development evaluation process have been developed • IIP for whole authority achieved • Workforce Development Plan in place.		
(d) Put in place effective arrangements for an objective review of risk management and internal control, including internal audit	Performance management system	• Performance management system in place for recording Best Value and local performance indicators. • External audit review of internal audit • Internal audit review • Financial corporate governance • Feedback surveys of managers undertaken by internal audit • All audit activity reported to Audit Committee. • Annual report to Audit Committee on risk management.		8

(e) Maintain an objective and professional relationship with their external auditors and statutory inspectors	Inspectorate reports Annual audit letter and other audit reports Audit protocol	• Good relationship with auditors and inspectors, Customs & Excise and Inland Revenue • Annual inspection letter • Details of the relationship are identified in 'The managed audit' (Audit Commission) • Better joint working of internal and external audit now being achieved.		8
(f) Publish on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice	Annual report	• Statement of Internal Control included in accounts • Accounts published on Council website • Local Code of Corporate Governance published on Council website.		7

Dimension 5: Standards of Conduct				

How the principles of corporate governance should be reflected;

The openness, integrity and accountability of individuals within a local authority form the cornerstone of effective corporate governance. The reputation of the authority depends on the standard of behaviour of everyone in it, whether members, employees or agents contracted to it.

Therefore, members and senior officers of a local authority will need to:

- Exercise leadership by conducting themselves as role models for others within the authority to follow
- Define the standards of personal behaviour that are expected from members and staff and all those involved in service delivery, and put in place arrangements to ensure:
  - ➤ **Accountability**, through establishing systems for investigating breaches and disciplinary problems and taking action where appropriate, including arrangements for redress
  - ➤ **Effectiveness** in practice through monitoring their compliance
  - ➤ That objectivity and impartiality are maintained in all relationships to demonstrate **integrity**
  - ➤ That such standards are documented and clearly understood to display **openness and inclusivity** and are reviewed on a regular basis to ensure that they are kept **up to date**

The local code should reflect the requirements to:	Source documents other indicators of compliance	Evidence & current position in RDC	Plans for improvement	Score 0-10
(a) Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers, and agents of the authority are required to subscribe	Members/officers code of conduct Anti fraud and corruption policy Complaints procedures Performance management system Performance appraisal	• Member and officer codes of conduct are identified in the constitution. • A Corporate complaints procedure in place and monitored quarterly and reported to SIG • Declaration of interests for housing benefit staff and		9

and put in place appropriate systems and processes to ensure that they are complied with		audit • A performance appraisal system is in place • Declaration of interests register • Members conduct monitored via Standards Committee • Anti-fraud and Corruption Policy • Corporate Directors declare related interests as part of Annual Accounts • Whistleblowing procedures in place		
(b) Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice	Standing orders Codes of conduct Financial regulations	• Member and officer codes of conduct are identified in the constitution. • Financial regulations are identified in the Constitution. • Standing orders are identified in Constitution • Standards Committee		9

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(c) Put in place arrangements to ensure that their procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice	Codes of conduct	• Codes of conduct are in place for officers • Standards Committee re: Members • Race Equality standard • Corporate Equalities Strategy and action plan agreed		9
(d) Put in place arrangements for whistle blowing to which staff and all those contracting with the council have access	Whistle blowing policy publicising the Audit Commission hotline established under the Public Interest Disclosure Act 1998	• A whistle blowing policy and procedure is included in the Staff hand book and placed on the internal 'public notices' • Whistleblowing included in staff induction.	• Extend whistle blowing to external contractors. Ongoing. (CD(ES))	9