CORPORATE GOVERNANCE IN LOCAL GOVERNMENT
Review of Rochford District Council 2002/03

Dimension 1: Community Focus

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: • 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	• Annual financial statements • Annual business plan • Formal annual report	• Corporate Plan and BVPP produced annually • Report produced for march RDM including how we have performed. • Details of the Corporate Plan are published in RDM and reviewed mid year in RDM. • Financial details are included in the council tax bill. • A financial statement is included in the Corporate and BVPP plan 2002/03 • Housing and Environmental Health do annual reports and contracts	• Corporate governance to be included in the Corporate and BVPP Plan 2003/04 • Include a detailed financial statement in both BVPP/Corporate Plan 2003/04 and to Council Tax Payers • Corporate Governance Statement in accounts 2003/04	6

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
(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 • Community Strategy	• BVPP plan produced annually. • Report produced for March RDM including how we have performed	• Rochford District to produce a draft Community Strategy by March 2003	6
(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 Heads of Service, implemented and internally audited • Scrutiny process developed • Inspectors reports fed into service development where appropriate • Audit reports available internally • BFI (housing benefit) inspection recommendations implemented and audited internally • Established the Standards Committee	• Ongoing development and monitoring of the scrutiny process	8
(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 • Annual report	• The Council is engaged in a number of partnerships at operational and strategic level – Crime and Disorder, Health Board, Community Legal Service partnership, etc. • Proposals are being developed for the LSP and community strategy • Tenant's liaison processes in place	• LSP to be developed by March 2003 • The role of parishes to be established in the ongoing partnership arrangements. • Development of a draft Community Strategy by March 2003 including the development of community and voluntary groups role • Monitor and evaluate process to be developed • Service Level Agreement with RAV's and CAB • Monitoring and evaluation process to be developed	3

14.4

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
(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	• New constitution in place, agreed by Council March 2002 • Parish protocols include consultation and access to information from the District Council • All Council meetings in public • Development of website to increase access to Council information • RDM provides community information	• Continually review our openness and communication	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	• Beacon status • Partnership framework • IiP accreditation • Communication strategy	• Corporate Consultation strategy • Parish protocols include consultation and access to information from the District Council • Service level agreement with RAVS • RDM council newsletter delivered to all households and includes council surveys • Web site consultation and information giving • Housing Newsletter	• Development of a draft Community Strategy by March 2003 including the development of means for gathering views and opinions of residents	6
(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 • Service plans • BVPP	• Service action plans developed • BVPP produced annually • Corporate Plan produced • Corporate Consultation strategy • Best Value Reviews engage the customer • Rochford District Matters includes BVPP and Corporate plan	• Development of a draft Community Strategy by March 2003 • Development of strategic priorities is member driven • Development of the LSP, including mechanisms to ensure stakeholders and the community are engaged effectively • Ensure finance links to strategic priorities on an ongoing basis (longer term financial planning)	3

14.5

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	• Best value performance plans • Best value review	• BVPP produced annually • Best Value reviews undertaken • Service action plans	• Use of a standard process for key actions • Explicitly include equality in service reviews	5
(b) Put in place sound systems for providing management information for performance measurement purposes	• Performance management and information system	• Performance management information produced quarterly	• Review the format of the QMR's and evaluate the accuracy of information	7
(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 • Best Value Performance Plan produced annually • Performance published annually in RDM • Corporate Plan published annually and reviewed mid year in RDM • Scrutiny committee established March 2002 • Service Action Plans	• Monitoring of performance through Scrutiny process • Regular monitoring and reporting process for service action plans • Accountability for delivery of actions	6

14.6

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
(d) Put in place arrangements to allocate resources according to priorities	• Community plan • Service plans • Budget	• RDC Corporate and BVPP and service plans • Capital Plan and Programme produced, linked to objectives. Reviewed throughout the year. • Budget book • Finance and Procedures Overview and Scrutiny Committee • Ensure staffing resource links to strategic priorities evidenced Housing Benefits, Corporate Planning, Communications & Woodlands • All Committee Reports detail resource implications	• Draft Community Strategy to be developed by March 2003	8

(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 out 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
		• Parish partnership protocol
		• Best Value reviews include consideration of outsourcing
		• Strategic and operational partnerships arrangements are in place, such as Health Board, Crime & Disorder, Responsible Authority Leadership Group and L.A.F.
		• Service Plans take account of priorities and resources available
		• Promotion of successes via RDM on a regular basis
		• SLA's formalise relationships
			• LSP to be developed to cover key stakeholders, vision, linking financial plans, resources accountably etc. priorities and communication by March 2003
			• Identify local and national issues and their potential impact on service delivery
			• Draft Community Strategy to be developed by March 2003 to include consultation feedback with residents and be implemented
			• Priorities reflected in the RDC Corporate Plan/BVPP
				5

14.7

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
(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 Heads of Service and implemented • Inspection report recommendations included in the development of service plans • Internal audit monitor recommendations of inspection and audit reports and report report in to Finance and Procedures O/S	• Internal audit to take account of CPA • Improve communication with external audit	8

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 and members of staff to receive training in the relationship protocols		8
(b) Ensure that the relative roles and responsibilities of executive and other members, members generally and senior officers are clearly defined	• Constitution • Record of decisions and supporting materials	• The new constitution includes officer roles and responsibilities. • The processes for recording 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 to have induction on the new constitution including their role and responsibility	• Political skills training for relevant officers to continue • Encourage open debate at Overview & Scrutiny Committee Meetings	8

14.9

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
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	• Council agrees a schedule of Council and committee meetings. • Meetings are currently held with the Leaders of all parties. • Performance and management system is in place • Financial standards and regulations are reviewed. • A Best Value Review on Financial Services is underway and due to report to members by December 2002. • Work plans for each committee have been agreed by the relevant committee has agreed these. • A system is in place to set up task specific workgroups as sub-groups of the committee as required		8
(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 should be communicated to all staff and stored on the intranet and website as control documents	9

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
(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 decision brought forward through the outstanding actions list	• Ensure committee decisions are auditable and understandable	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 • Check O/S environment	• An induction programme has been prepared from New members of the Council – 2002/03 • Training has taken place on Planning 2001/02 • The Standards Committee has been set up and will have responsibility • It will be the role of the Standards Committee to ensure Members have access to training. This is identified in the Constitution. • Training records to be produced and maintained for all members and report to Standards	• The Scrutiny committee will be set up following the May elections.	8

14.11

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
• 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.		9
• Ensure that the roles and responsibilities of all members of the local authority, check role of leaders, together with the terms of their remuneration and its review, are defined clearly in writing	• Constitution • Members' allowance scheme	• The members remuneration – 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. • Any future changes will take account of recommendations of Remuneration Panel.		9
• 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.		9

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
(g) 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 Corporate Director (Finance and External Services) is responsible for the Financial undertakings of the Council. this function is identified in the Constitution and agreed by Council. • Job Description produced.		9
(h) Ensure that a senior officer is made responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with	• Monitoring officer provisions • Statutory provision • Job description/specification	• The Corporate Director (Law, Planning and Admin) is the Monitoring Officer for the Council. This function is identified in the Constitution and agreed by Council. • Job Description produced.		9
(i) Ensure that the roles are responsibilities of all senior officers, together with the terms of their remuneration and its review, are defined clearly in writing	• Job description/specifications • Pay and conditions of service • Performance review/appraisal	• Job Descriptions exist for all staff and details of their remuneration is available • The roles and responsibilities of the Corporate Directors are defined in the Constitution. • Council has agreed the process for appraisal of the Chief Executive. • Job Description updated via Job Evaluation process • PDR process in place		9

14.13

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
(j) Adopt clear protocols and codes of conduct to ensure that the implications for supporting community how do we as officers support member political leadership for the whole council are acknowledged and resolved	• 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. Officer/Chairman relationships are also defined. • The support for committees identified in constitution. • The support for political group is identified in constitution	• Introduction of SLA with community groups as standard, with clear links made to corporate objectives.	8

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	• Informal system in Audit Review for identifying the annual audit plan. • Criteria for the Audit Review are detailed by audit • The Overview and Scrutiny process has been established although not tested • A performance management system is in place	• A formal risk strategy to be adopted by Council in July 2002. • Embed the Risk Assessment into the culture of the organisation.	3
(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 accord-ance 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. • Improve Business Continuity Plan • Internal Audit system in place and an audit plan developed • Internal control systems in place relating to probity • Financial regulations in place • Procurement strategy produced in 2001 • Produce Audit Charter (currently in draft) (June 2002) Corrective action is taken following exception reporting	• Audit charter to be developed in 2002 • Risk Management Strategy to be developed (July 2002).	5

14.15

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
(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. These were reviewed during 2001 • A training plan is in place. • Corporate Training and development evaluation process have been developed		8
(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 Best Value and local performance indicators. • External audit review • Internal audit review • Financial corporate governance • Feedback surveys of managers undertaken by internal audit	• Widen internal audit feedback survey to include Members.	7
(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)	• Develop better joint working of internal and external audit	7
(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	• BVPP/Corporate Plan has information regarding finance	• Development of a statement for the 2003/04 Corporate and BVPP Plan. • Statement to be made in Annual Accounts 2002/03	2

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 from 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, an 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 and put in place appropriate systems and processes to ensure that they are complied with	• 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 is monitored through quarterly performance monitoring systems. • Declaration of interests for housing benefit staff and 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		9

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
(b) Put in place arrangements to ensure that members and employees of the authority are nor 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 the yearbook 2001/02. • Standards Committee		9
(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	• National codes of conduct are in place for officers • Standards Committee re: Members • Race Equality standard		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 place on the internal 'public notices'		9