



## **ROCHFORD DISTRICT COUNCIL**

### **LOCAL CODE OF CORPORATE GOVERNANCE**

Council Offices  
South Street  
Rochford  
Essex SS4 1BW

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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 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 issue 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 for 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 are **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 wellbeing 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.
- 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 the change 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 in 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**.

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.

The 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 Finance Overview and Scrutiny 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 Audit and Process Review Manager will review independently and report annual to Finance Overview and Scrutiny Committee to provide assurance on the adequacy and effectiveness of the Code in practice.

### 3.2 Maintaining the Code

The annual reports of the Corporate Policy Manager and the Audit and Process Review Manager will identify any aspects of the Code that are not in place and propose any actions which would enhance compliance with the Code.



## GLOSSARY

|              |   |
|--------------|---|
| A&PRM        | Audit & Process Review Manager                        |
| BFI          | Benefit Fraud Inspectorate                            |
| C.Ex/C.Exec. | <b><u>Chief Executive</u></b>                         |
| CAB          | Citizens Advice Bureau                                |
| CD(LP&A)     | Corporate Director (Law, Planning and Administration) |
| CIPFA        | Chartered Institute of Public Finance and Accountancy |
| CPA          | Comprehensive Performance Assessment                  |
| CP&HSM       | Contingency Planning and Health & Safety Manager      |
| CRG          | Corporate Risk Group                                  |
| EDO          | Economic Development Officer                          |
| HAMS         | Head of Administration and Member Services            |
| HFS          | Head of Financial Services                            |
| HOS          | Head of Service                                       |
| LAF          | Local Area Forum                                      |
| LSP          | Local Strategy Partnership                            |
| O/S          | Overview and Scrutiny (Committee)                     |
| PCT          | Primary Care Trust                                    |
| PDR          | Performance Development Review                        |
| PI           | Performance Indicator                                 |
| PM           | Personnel Manager                                     |
| PSA          | Public Service Agreement                              |
| RAG          | Responsible Authority Group                           |
| RAVS         | Rayleigh Association of Voluntary Services            |
| RDC          | Rochford District Council                             |
| RDM          | Rochford District Matters (Council Newspaper)         |
| SLA          | Service Level Agreement                               |
| SOLACE       | Society of Local Authority Chief Executives           |

## ASSESSMENT AGAINST CODE

| <b>Dimension 1: Community Focus</b>  |  |  |                              |                   |
|--|--|--|------------------------------|-------------------|
| <p><b>1 How the principles of corporate governance should be reflected</b></p> <p>Through carrying out their general and specific duties and responsibilities and their ability to exert wider influence, local authorities should:</p> <ul style="list-style-type: none"> <li>• Work for and with their communities</li> <li>• Exercise leadership in their local communities, where appropriate</li> <li>• Undertake an ‘ambassadorial’ role to promote the well-being of their area, where appropriate, through maintaining effective arrangements:               <ul style="list-style-type: none"> <li>– For explicit <b>accountability</b> to stakeholders for the authority’s performance and its <b>effectiveness</b> in the delivery of services and the sustainable use of resources</li> <li>– Demonstrate <b>integrity</b> in the authority’s dealings in building effective relationships with other public agencies and the private/voluntary sectors</li> <li>– Demonstrate <b>openness</b> in all their dealings</li> <li>– Demonstrate <b>inclusivity</b> by communicating and engaging with all sections of the community to encourage active participation</li> <li>– Develop and articulate a clear and <b>up-to-date</b> vision and corporate strategy in response to community needs.</li> </ul> </li> </ul> |  |  |                              |                   |
| <b>The local code should reflect the requirements to:</b>  | <b>Source documents other indicators of compliance</b>                               | <b>Evidence &amp; current position in RDC</b>  | <b>Plans for improvement</b> | <b>Score 0-10</b> |
| <p>(a) Publish on a timely basis an annual report presenting an objective, understandable account of the authority’s:</p> <ul style="list-style-type: none"> <li>• Activities and achievements</li> <li>• Financial position and performance</li> </ul>  | <p>Annual financial statements<br/>Annual business plan<br/>Formal annual report</p> | <ul style="list-style-type: none"> <li>• Performance Plan produced annually and available on Council website.</li> <li>• Details of the Corporate Plan and how we perform are published in RDM and reviewed mid year in RDM.</li> <li>• Financial details accompany the Council Tax bill.</li> <li>• Statement on internal financial controls included in accounts 2003/4</li> </ul> |                              | 8                 |

| <b>The local code should reflect the requirements to:</b>   | <b>Source documents other indicators of compliance</b>  | <b>Evidence &amp; current position in RDC</b>   | <b>Plans for improvement</b> | <b>Score 0-10</b> |
|---|---|---|------------------------------|-------------------|
| <p>The reports should include statements:</p> <ul style="list-style-type: none"> <li>• Explaining the authority's responsibility for the financial statements <ul style="list-style-type: none"> <li>• Confirming that the authority complies with relevant standards and codes of corporate governance</li> <li>• On the effectiveness of the authority's system for risk management and internal control</li> </ul> </li> </ul> |   | <ul style="list-style-type: none"> <li>• Final accounts published on Council website.</li> </ul>  |                              |                   |
| <p>(b) Publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the authority's:</p> <ul style="list-style-type: none"> <li>• Current performance in service delivery</li> <li>• Plans to maintain and improve service quality</li> </ul>  | <p>Extract from Performance Plan Community Strategy</p> | <ul style="list-style-type: none"> <li>• Performance plan produced annually and available on Council website.</li> <li>• Report produced for March RDM including how we have performed</li> <li>• Community Strategy agreed by LSP in March 2004 and launched in June 2004</li> </ul> |                              | <p>8</p>          |

| <b>The local code should reflect the requirements to:</b>   | <b>Source documents other indicators of compliance</b>  | <b>Evidence &amp; current position in RDC</b>   | <b>Plans for improvement</b>  | <b>Score 0-10</b> |
|---|---|---|---|-------------------|
| (c) Put in place proper arrangements for the independent review of the financial and operational reporting processes  | Annual audit letter and other audit reports<br>Scrutiny committee function<br>Inspectorate reports  | <ul style="list-style-type: none"> <li>• Annual audit letter findings discussed with HoS, implemented and internally monitored by Scrutiny Committee</li> <li>• Scrutiny process developed</li> <li>• Inspectors reports fed into service development where appropriate</li> <li>• Audit reports available internally</li> <li>• BFI (housing benefit) inspection recommendations implemented and monitored by Scrutiny Committee</li> <li>• Improvement to the Scrutiny process introduced by means of scoping form, different venues and improved processing.</li> <li>• Established the Standards committee</li> <li>• Audit Score Judgements</li> </ul> | <ul style="list-style-type: none"> <li>• Detailed review of Overview and Scrutiny being carried out by Finance &amp; Procedures Overview and Scrutiny Committee 2005/6 (CD(LP&amp;A)).</li> </ul>   | 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 | Strategic partnership framework<br>Stakeholders forum's terms of reference<br>Area forums' roles and responsibilities<br>Residents' panel structure | <ul style="list-style-type: none"> <li>• The Council is engaged in a number of partnerships at operational and strategic level – Crime and Disorder, RAG, health Board, community legal service, etc.</li> <li>• Tenant's liaison processes in place</li> </ul>   | <ul style="list-style-type: none"> <li>• The role of parishes to be established in the ongoing partnership arrangements and Parish Sub Committee</li> <li>• Service Level Agreement CAB.</li> <li>• Local Service Agreement being developed with Essex</li> </ul> | 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 |
|---|--|--|---|------------|
| <p>the authority and put in place appropriate monitoring processes to ensure that they continue to work in practice</p>   | <p>Annual report</p>   | <ul style="list-style-type: none"> <li>• Economic Development Strategy and Business Consultation finalised Oct 2003</li> <li>• LSP in place</li> <li>• Service Level Agreement concluded with RAVS.</li> <li>• PSA concluded with Essex County Council</li> <li>• Consultation Panel in place</li> </ul>   | <p>County Council ongoing (C. Exec.)</p> <ul style="list-style-type: none"> <li>• Community Overview &amp; Scrutiny Committee currently reviewing partnerships (C. Exec).</li> </ul>  |            |
| <p>(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</p> | <p>Constitution</p> <p>Substantial Council information and transactions available on Website</p> | <ul style="list-style-type: none"> <li>• New constitution in place, agreed by Council March 2002</li> <li>• Parish protocols include consultation and access to information from the District Council</li> <li>• All Council meetings in public</li> <li>• RDM provides community information</li> <li>• Compliant with Freedom of Information Act requirements</li> <li>• Committee agenda reports and minutes published on Council website.</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to develop E-government in accordance with Government targets (HAMS)</li> <li>• Greater transparency of priorities/non priorities in budget making process and resource allocations around these from 2005 budget (HFS)</li> <li>• Carry through transparency around priorities/non priorities into 2005/6 Performance Plan (CE/CPM)</li> </ul> | <p>8</p>   |

| <b>The local code should reflect the requirements to:</b>  | <b>Source documents other indicators of compliance</b>                                | <b>Evidence &amp; current position in RDC</b>  | <b>Plans for improvement</b>   | <b>Score 0-10</b> |
|--|---|--|--|-------------------|
| (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<br>Partnership framework<br>IIP accreditation<br>Communication strategy | <ul style="list-style-type: none"> <li>• Community Strategy launched June 2004</li> <li>• Corporate Consultation strategy</li> <li>• Parish protocols include consultation and access to information from the District Council</li> <li>• Service level agreement with RAVS</li> <li>• IIP for whole authority achieved.</li> <li>• RDM council newsletter delivered to all households and includes council surveys</li> <li>• Web site consultation and information giving</li> <li>• Housing Newsletter</li> <li>• Surveying service delivery</li> <li>• Consultation Panel in place.</li> </ul> | <ul style="list-style-type: none"> <li>• Corporate Consultation Strategy to be reviewed (CPM)</li> </ul> | 8                 |

| <b>The local code should reflect the requirements to:</b>   | <b>Source documents other indicators of compliance</b>  | <b>Evidence &amp; current position in RDC</b>  | <b>Plans for improvement</b>   | <b>Score 0-10</b> |
|---|---|--|--|-------------------|
| (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<br>Service plans<br>PERFORMANCE PLAN | <ul style="list-style-type: none"> <li>• Service action plans developed</li> <li>• Community Strategy launched June 2004</li> <li>• Performance Plan produced annually</li> <li>• Corporate Consultation strategy</li> <li>• RDM includes</li> <li>• Performance plan</li> <li>• LSP in place.</li> <li>• General satisfaction survey concluded in 2003 shows higher than average customer satisfaction.</li> <li>• Budget report 2005/6 contains financial links to priorities</li> </ul> | <ul style="list-style-type: none"> <li>• Further development of action planning ongoing (CEX)</li> </ul> | 7                 |

**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<br>Best value review | <ul style="list-style-type: none"> <li>• Performance Plan produced annually</li> <li>• Service action plans</li> <li>• Surveys collect information on equality issues for analysis.</li> <li>• Social Inclusion Policy in place</li> </ul>   | <ul style="list-style-type: none"> <li>• Explicitly include equality in service reviews</li> <li>• Review equality policies and procedures to ensure consistency of applications throughout the authority.</li> <li>• Develop more local PI's incorporating SMART targets for corporate objectives. Ongoing (A&amp;PRM)</li> </ul> | 5          |
| (b) Put in place sound systems for providing management information for performance measurement purposes                                 | Performance management and information system     | <ul style="list-style-type: none"> <li>• Performance management information produced quarterly</li> <li>• Lead page on quarterly performance reports alerts areas of concern/ good performance by each Head of Service.</li> <li>• External audit complimented robustness of PFI.</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to develop a culture of producing SMART targets emanating from the Corporate Plan/Performance Plan process – ongoing (OMT)</li> <li>• Refine the performance management framework to more clearly focus on the Council's priorities.</li> </ul>                                  | 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 |
|--|--|---|---|------------|
|  |  |   | <p>Develop the performance management framework to secure a more consistent approach to follow up actions to address variations in performance – ongoing (A&amp;PRM)</p> <ul style="list-style-type: none"> <li>• Continue to systematically develop a range of key indicators for the Council’s priorities at the local level – ongoing (OMT)</li> </ul> |            |
| (c) Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans | Best value performance plans<br>Scrutiny committee reports | <ul style="list-style-type: none"> <li>• Performance management information produced quarterly</li> <li>• Performance Plan produced annually</li> <li>• Performance published annually in RDM</li> <li>• Scrutiny committee established</li> <li>• Service action plans reviewed and monitored bi-annually</li> <li>• Accountability for delivery of actions enhanced with front page summary of PI’s.</li> </ul> | <ul style="list-style-type: none"> <li>• Monitoring of performance through Scrutiny process</li> <li>• Further refine our Performance Management and Service Action Plan process to highlight key priorities/indicators and areas of slippage/change where appropriate (OMT).</li> <li>• KLOE to be used for performance/improvement</li> </ul>           | 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<br>Service Plans<br>Budget  | <ul style="list-style-type: none"> <li>• Community Strategy launched June 2004.</li> <li>• RDC Corporate Plan/Performance Plan and service plans</li> <li>• Capital Plan and Programme produced, linked to objectives. Reviewed throughout the year.</li> <li>• Budget book</li> <li>• Finance and Procedures Overview &amp; Scrutiny Committee.</li> <li>• Ensure staffing resource links to strategic priorities evidenced.</li> <li>• All Committee Reports detail resource implications.</li> </ul>  | <ul style="list-style-type: none"> <li>• Detailed review of Overview &amp; Scrutiny being carried out by Finance &amp; Procedures Overview &amp; Scrutiny Committee 2005/6 (CD(LP&amp;A)).</li> </ul>   | 9          |
| (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<br>Adherence of good employment practice<br>Partnership framework<br>Protocol for: <ul style="list-style-type: none"> <li>• Joint commissioning</li> <li>• Joint funding</li> <li>• Joint accountability</li> </ul> | <ul style="list-style-type: none"> <li>• Community Strategy launched June 2004</li> <li>• Parish partnership protocol</li> <li>• Best Value reviews include consideration of outsourcing</li> <li>• Strategic and operational partnerships arrangements are in place, such as PCT Board, Crime &amp; Disorder, RAG and L.A.F.</li> <li>• Priorities reflected in the RDC Performance Plan</li> <li>• Service Plans take account of priorities and resources available</li> <li>• Promotion of successes via RDM on a regular basis</li> <li>• Outsourcing of Food Inspections</li> </ul> | <ul style="list-style-type: none"> <li>• Identify local and national issues and their potential impact on service delivery</li> <li>• Develop prioritising process to establish outputs of internal partnerships</li> <li>• Formal Local Service Agreement with Essex County Council. March 2005. (C.Exec.)</li> <li>• Council's participation in partnerships being reviewed by Community Overview &amp; Scrutiny Committee. Nov. 2005. (C. Exec)</li> </ul> | 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 |
|---|---|---|-----------------------|------------|
|   |   | <ul style="list-style-type: none"> <li>• SLA formalises relationship with RAVS</li> <li>• Economic Development Strategy and Business Protocol agreed.</li> <li>• LSP developed to cover key stakeholders, vision, linking financial plans, resources accountably etc. priorities and communication</li> <li>• Member of the Procurement Agency for Essex</li> <li>• PSA agreed with Essex County Council</li> <li>• Participation in Essex on-line partnership.</li> </ul>  |                       |            |
| 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<br>Inspectorate reports | <ul style="list-style-type: none"> <li>• Annual audit report recommendations discussed with HoS and implemented</li> <li>• Inspection report recommendations included in the development of service plans</li> <li>• Internal audit monitor recommendations of inspection and audit reports and report in to Finance and Procedures O/S</li> <li>• Communication between internal and external audit improving.</li> <li>• Working to improve Council with involvement with Audit Commission Relationship Manager.</li> </ul> |                       | 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 |
|---|--|--|---|------------|
| <b>Balance of Power and Authority</b>   |  |  |   |            |
| (a) Put in place clearly documented protocols governing relationships between members and officers  | Protocols  | <ul style="list-style-type: none"> <li>• Protocols and codes of conduct are in place</li> <li>• New Councillors receive training in the relationship protocols</li> <li>• Protocols referred to in Staff Handbook.</li> </ul>  | <ul style="list-style-type: none"> <li>• Protocol training to be extended to officers from spring 2006 and ongoing. (HRM)</li> </ul>  | 8          |
| (b) Ensure that the relative roles and responsibilities of executive and other members, members generally and senior officers are clearly defined | Constitution<br>Record of decisions and supporting materials | <ul style="list-style-type: none"> <li>• The constitution includes officer roles and responsibilities.</li> <li>• The processes for recording decisions, referral protocols are included in the constitution.</li> <li>• Officers have undertaken political skills' training.</li> <li>• Committee reports and decisions are available to all staff via the</li> </ul> | <ul style="list-style-type: none"> <li>• New programme of training for political skills for relevant officers to commence spring 2006 and ongoing. (HRM)</li> <li>• Detailed review of Overview &amp; Scrutiny being carried out by Finance &amp; Procedures Overview &amp; Scrutiny Committee 2005/06</li> </ul> | 8          |

| 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 |
|--|---|--|-----------------------|------------|
|  |   | intranet <ul style="list-style-type: none"> <li>• New members to have induction on the new constitution including their role and responsibility</li> <li>• Well developed Member training programme.</li> </ul>  | (CD(LP&A))            |            |
| <b>Roles and Responsibilities – Members</b>  |   |  |                       |            |
| (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<br>Performance and management system<br>Financial standards and regulations<br>Budget analysis for all Members | <ul style="list-style-type: none"> <li>• Council agrees a schedule of Council and committee meetings.</li> <li>• Meetings are currently held with the Leaders of all parties.</li> <li>• Performance and management system is in place</li> <li>• Financial standards and regulations are reviewed.</li> <li>• A Best Value Review on Financial Services reported to members</li> <li>• Work plans for each scrutiny committee have been agreed.</li> <li>• A system is in place to set up task specific workgroups as sub-groups of the committee as required</li> <li>• Formal Member appraisal of C. Exec. in place.</li> </ul> |                       | 9          |

| <b>The local code should reflect the requirements to:</b>   | <b>Source documents other indicators of compliance</b> | <b>Evidence &amp; current position in RDC</b>  | <b>Plans for improvement</b>  | <b>Score 0-10</b> |
|---|--|--|---|-------------------|
| (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   | <ul style="list-style-type: none"> <li>• Delegated powers are identified in the constitution and agreed by Council</li> <li>• The contents of the constitution have been communicated to all staff and stored on the intranet and website as control documents</li> </ul>  |   | 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   | <ul style="list-style-type: none"> <li>• The procedures for budget and policy framework procedures are outlined in the Constitution and in the work plans for the committees.</li> <li>• Financial regulations are included in the Constitution.</li> <li>• Committee decision brought forward through the outstanding actions list</li> <li>• Half-yearly review of Performance Plan and key areas of work in place.</li> </ul> | <ul style="list-style-type: none"> <li>• Ensure committee decisions are auditable and understandable. Ongoing.</li> </ul> | 8                 |

| 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) 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<br>Training for committee chairs<br>Regular update sessions<br>Training plan | <ul style="list-style-type: none"> <li>• Well developed Member training programme in place overseen by the Standards Committee.</li> <li>• Budget awaydays in place</li> </ul> |   | 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   | <ul style="list-style-type: none"> <li>• The role of the Corporate Directors is identified in the Constitution; including their delegated powers.</li> </ul>                   | <ul style="list-style-type: none"> <li>• Full review of senior officer structure summer 2005 (C.Exec.)</li> </ul> | 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 |
|--|--|--|-----------------------|------------|
| (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<br>Members' allowance scheme  | <ul style="list-style-type: none"> <li>• The members remuneration – the members allowance scheme, is identified in the constitution. This has been agreed by Council.</li> <li>• 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.</li> </ul>              |                       | 9          |
| (i) Ensure that a chief executive or equivalent is made responsible to the authority for all aspects of operational management   | Conditions of employment<br>Scheme of delegation<br>Statutory provisions<br>Job description/specification<br>Performance management system | <ul style="list-style-type: none"> <li>• The Chief Executive is the Head of Paid Service. His role and delegations are identified in the Constitution.</li> <li>• Job Description produced.</li> <li>• C. Exec. is appraised by Members half-yearly.</li> </ul>  |                       | 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<br>Statutory provision<br>Statutory reports<br>Budget documentation<br>Job description/specification          | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Job Description produced.</li> <li>• C.Exec. is appraised by Members half-yearly.</li> <li>• Budget report meets statutory requirements</li> </ul> |                       | 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 |
|---|---|---|--|------------|
| (k) 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<br>Statutory provision<br>Job description/specification           | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Job Description produced.</li> <li>• C. Exec. is appraised by Members half-yearly.</li> </ul>  |  | 9          |
| (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 description/specifications<br>Pay and conditions of service<br>Performance review/appraisal | <ul style="list-style-type: none"> <li>• Job Descriptions exist for all staff and details of their remuneration is available</li> <li>• The roles and responsibilities of the Corporate Directors are defined in the Constitution.</li> <li>• Council has implemented a process for appraisal of the Chief Executive.</li> <li>• Job description updated via PDR process.</li> <li>• Formal Job Evaluation in place.</li> </ul> | <ul style="list-style-type: none"> <li>• Introduce HAY Job Evaluation for senior staff summer 2005. (C.Exec.)</li> </ul> | 9          |

| <b>The local code should reflect the requirements to:</b>  | <b>Source documents other indicators of compliance</b> | <b>Evidence &amp; current position in RDC</b>  | <b>Plans for improvement</b>   | <b>Score 0-10</b> |
|--|--|--|--|-------------------|
| (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 resolved | Protocols governing member/manager relations           | <ul style="list-style-type: none"> <li>• 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.</li> <li>• The support for committees identified in constitution.</li> <li>• The support for political group is identified in constitution</li> </ul> | <ul style="list-style-type: none"> <li>• Introduction of SLA with community groups as standard, with appropriate deminimis levels, with clear links made to corporate objectives. C.Exec.</li> </ul> | 8                 |
| (n) Adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole council are acknowledged and resolved | Protocols governing member/manager relations           | <ul style="list-style-type: none"> <li>• 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.</li> <li>• The support for committees identified in constitution.</li> <li>• The support for political group is identified in constitution</li> </ul> | <ul style="list-style-type: none"> <li>• Introduction of SLA with community groups as standard, with appropriate deminimis levels, with clear links made to corporate objectives. C.Exec.</li> </ul> | 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<br>Control framework<br>Scrutiny committee role<br>Performance management system | <ul style="list-style-type: none"> <li>• Localised system in Audit Review for identifying the annual audit plan.</li> <li>• The Overview and Scrutiny process has been established</li> <li>• A performance management system is in place</li> <li>• A formal framework risk strategy was adopted by Council in July 2002.</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to embed the Risk Assessment into the culture of the organisation. Ongoing.</li> <li>• Ongoing review of the risk strategy and register being carried during 2005. (CP&amp;HSM and CRG)</li> <li>• Complete the overarching (business contingency) plan in relation to risk management by May 2006 (CP&amp;HSM)</li> </ul> | 6          |

| <b>The local code should reflect the requirements to:</b>  | <b>Source documents other indicators of compliance</b>   | <b>Evidence &amp; current position in RDC</b>   | <b>Plans for improvement</b>  | <b>Score 0-10</b> |
|--|--|---|---|-------------------|
| (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<br>Internal audit protocol<br>Performance appraisal<br>Performance management system<br>Financial standards and regulations | <ul style="list-style-type: none"> <li>• Scheme of delegation in place through the constitution. Agreed by Council.</li> <li>• Performance appraisal system in place.</li> <li>• Internal Audit system in place and an audit plan developed</li> <li>• Internal control systems in place relating to probity</li> <li>• Financial regulations in place</li> <li>• Procurement strategy in place 2004-2006</li> <li>• Risk Management Strategy developed (July 2002).</li> <li>• Audit Charter in place</li> </ul> |   | 8                 |
| (c) Ensure that services are delivered by trained and experienced people   | Job description/personal specifications<br>Training plan   | <ul style="list-style-type: none"> <li>• Job descriptions and person specifications are in place.</li> <li>• A training plan is in place.</li> <li>• Corporate Training and development evaluation process have been developed</li> <li>• IIP for whole authority achieved</li> <li>• Workforce Development Plan in place.</li> </ul>   | <ul style="list-style-type: none"> <li>• Implementation of the Workforce Development Plan ongoing.</li> </ul> | 8                 |

| <b>The local code should reflect the requirements to:</b>   | <b>Source documents other indicators of compliance</b>                                | <b>Evidence &amp; current position in RDC</b>   | <b>Plans for improvement</b> | <b>Score 0-10</b> |
|---|---|---|------------------------------|-------------------|
| (d) Put in place effective arrangements for an objective review of risk management and internal control, including internal audit | Performance management system   | <ul style="list-style-type: none"> <li>• Performance management system in place for Best Value and local performance indicators.</li> <li>• External audit review</li> <li>• Internal audit review</li> <li>• Financial corporate governance</li> <li>• Feedback surveys of managers undertaken by internal audit</li> <li>• All audit activity reported to Overview &amp; Scrutiny Committee.</li> <li>• Annual report to Council on risk management.</li> </ul> |                              | 8                 |
| (e) Maintain an objective and professional relationship with their external auditors and statutory inspectors                     | Inspectorate reports<br>Annual audit letter and other audit reports<br>Audit protocol | <ul style="list-style-type: none"> <li>• Good relationship with auditors and inspectors, Customs &amp; Excise and Inland Revenue</li> <li>• Annual inspection letter</li> <li>• Details of the relationship are identified in 'The managed audit' (Audit Commission)</li> <li>• Better joint working of internal and external audit now being achieved.</li> </ul>  |                              | 8                 |

| 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) 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                                   | <ul style="list-style-type: none"> <li>• Statement of Internal Control included in accounts</li> <li>• Accounts published on Council website</li> <li>• Local Code of Corporate Governance published on Council website.</li> </ul> |                       | 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 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, 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**

| <b>The local code should reflect the requirements to:</b>  | <b>Source documents other indicators of compliance</b>  | <b>Evidence &amp; current position in RDC</b>   | <b>Plans for improvement</b> | <b>Score 0-10</b> |
|--|---|---|------------------------------|-------------------|
| (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<br>Anti fraud and corruption policy<br>Complaints procedures<br>Performance management system<br>Performance appraisal | <ul style="list-style-type: none"> <li>• Member and officer codes of conduct are identified in the constitution.</li> <li>• A Corporate complaints procedure in place and is monitored through quarterly performance monitoring systems and reported monthly to OMT</li> <li>• Declaration of interests for housing benefit staff and audit</li> <li>• A performance appraisal system is in place</li> <li>• Declaration of interests register</li> </ul> |                              | 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 |
|--|--|---|-----------------------|------------|
|  |  | <ul style="list-style-type: none"> <li>• Members conduct monitored via Standards Committee</li> <li>• Anti-fraud and Corruption Policy</li> <li>• Corporate Directors declare related interests as part of Annual Accounts</li> <li>• Whistleblowing procedures in place</li> </ul>       |                       |            |
| (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<br>Codes of conduct<br>Financial regulations | <ul style="list-style-type: none"> <li>• Member and officer codes of conduct are identified in the constitution.</li> <li>• Financial regulations are identified in the Constitution.</li> <li>• Standing orders are identified in Constitution</li> <li>• Standards Committee</li> </ul> |                       | 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   | <ul style="list-style-type: none"> <li>• Codes of conduct are in place for officers</li> <li>• Standards Committee re: Members</li> <li>• Race Equality standard</li> </ul>   |                       | 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 |
|---|---|--|---|------------|
| (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 | <ul style="list-style-type: none"> <li>• A whistle blowing policy and procedure is included in the Staff hand book and placed on the internal 'public notices'</li> <li>• Whistleblowing included in staff induction.</li> </ul> | <ul style="list-style-type: none"> <li>• Extend whistle blowing to external contractors. Ongoing. (CD(F&amp;ES))</li> </ul> | 9          |