

Allerdale Borough Council

Local Code of Corporate Governance

1. Scope of Responsibility

Corporate Governance is a term used to describe how organisations direct and control what they do. As well as systems and processes this includes cultures and values. For local authorities this also includes how a council relates to the communities that it serves. Good Corporate Governance requires local authorities to carry out their functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity. Corporate Governance is also the structure through which strategic objectives are set and performance monitored.

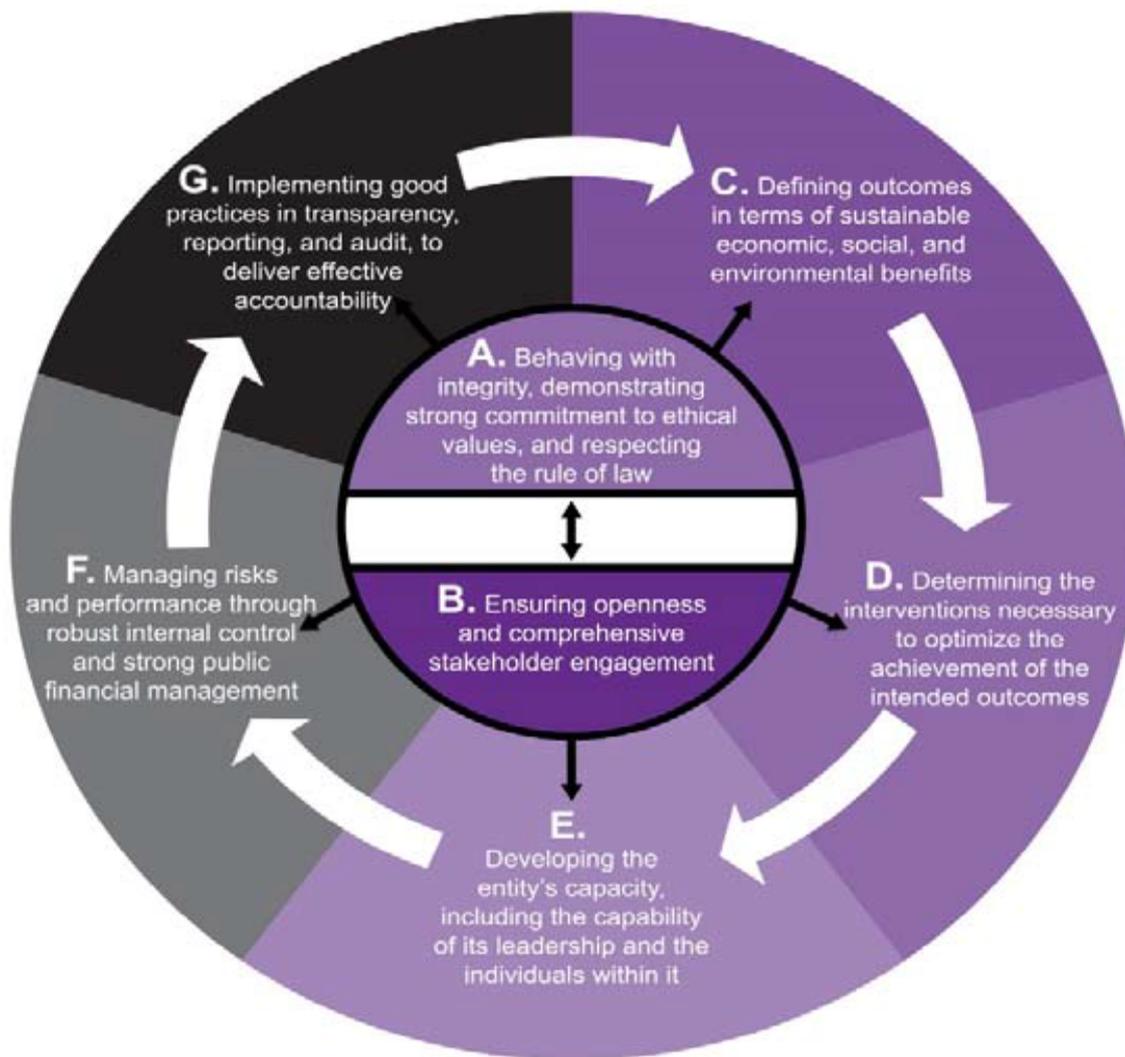
Allerdale Borough Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk. This Code is a public statement that sets out the way the Council will meet that commitment. As such it represents a key component of the Council's constitutional arrangements. The Code has been developed in light of CIPFA /SOLACE Delivering Good Governance in Local Government Framework 2016 Edition.

2. The Council's Code of Corporate Governance is based on seven core principles:-

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimize the achievement of the intended outcomes;
- E. Developing the Council's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

2.2 The diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), illustrates the various principles of good governance in the public sector and how they relate to each other.



2.3 The Local Code specifically identifies the actions and behaviours taken by the Council in relation to each of these core principles and associated sub principles. These are summarised below and this sets out the Local Corporate Governance Framework, the Audit Committee is responsible for approving this Code. This code is the signed by the Leader and Chief Executive at Allerdale Borough Council.

Principle	Sub Principles	Councils Actions and Behaviours
	Engaging stakeholders effectively, including individual citizens and service users	<p>User satisfaction is measured through a variety of channels and media. The Council carries out a large scale perceptions survey every two years. The survey specifically asks residents how satisfied they are with a variety of Council services as well as how informed they feel about Council decision making and how far they feel the Council provides value for money.</p> <p>The Council Plan is reviewed annually with members to ensure the vision and priority themes are still relevant and consistent with members' aspirations. Executive Portfolios are reviewed by the Leader of the Council and all portfolio holders have been assigned responsibility for specific objectives in the Council Plan 2015-19.</p>
C Defining outcomes in terms of sustainable economic, social, and environmental benefits.	<p>Defining outcomes</p> <p>Sustainable economic, social and environmental benefits</p>	<p>The Council Plan 2015-19 is underpinned by a set of supporting strategies and a detailed Business Plan that sets out key activities and performance measures for each priority theme in the Council Plan. This Business Plan forms the basis of quarterly performance reports considered by the Senior Management Team, Executive and Overview and Scrutiny Committee.</p> <p>The decision making framework is outlined in the Constitution and supported by an information system. This system documents the decisions made and provides decision makers efficient and effective access to good quality information. Information provided to support decisions made, includes the economic, social and environmental benefits and how these contribute to strategic plans.</p>
D Determining the interventions necessary to optimize the achievement of	Determining Interventions	Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.

Principle	Sub Principles	Councils Actions and Behaviours
<p>E Developing the Council's capacity, including the capability of its leadership and the individuals within it.</p>	<p>Developing the Councils capacity.</p> <p>Developing the capacity of Councils leadership and other individuals</p>	<p>The Council has adopted a suite of core and functional behaviours which all staff have collectively agreed is 'what great looks like' at Allerdale Borough Council. This behaviours framework is being used to develop the workforce, assist with communications by providing good well thought out feedback, enhance accountability and decision making and provides a clear definition of the standards of behaviour for staff. This is supported by the Council's code of conduct and member induction programme.</p> <p>Develop protocols to ensure that elected and appointed leaders receive clarification regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.</p> <p>Publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.</p> <p>Ensure the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides oversight for the other's authority.</p> <p>Develop the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged; • ensuring Members and Officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; and • ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.

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		<p>Take steps to consider the leadership's own effectiveness and ensure leaders are open to constructive feedback from peer review and inspections.</p> <p>Ensure arrangements are in place to maintain the health and wellbeing of the workforce through the Employee Health and Wellbeing Group and support individuals in maintaining their own physical and mental wellbeing.</p>
<p>F Managing risks and performance through robust internal control and strong public financial management.</p>	<p>Managing Risk</p> <p>Managing performance</p> <p>Robust Internal Control</p>	<p>To support the need for continuous improvement the Council agreed to develop an integrated assurance framework to contribute to the delivery of the objectives of the Council Plan. This is being embedded via regular facilitator led risk management sessions and improved service planning and risk management processes.</p> <p>Manage the performance of services provided to customers and ensure this is monitored through a range of financial and non-financial performance measures which are reported within services and to the Senior Management Team, Executive and Scrutiny.</p> <p>Maintain a Corporate risks and issues log that is discussed at the Senior Management Team meeting regularly and ensure risk owners are clear of their roles and responsibilities in the risk management framework. Communication of risk as part of the quarterly performance report ensures the Council's Executive have an opportunity to consult and contribute</p> <p>Align the Integrated Assurance strategy and policies on internal control to the achievement of objectives.</p> <p>Evaluate and monitor the Council's risk management and internal control arrangements on a regular basis.</p> <p>Ensure effective counter fraud and anti-corruption arrangements are in place.</p>

Principle	Sub Principles	Councils Actions and Behaviours
		<p>Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by Internal Audit.</p> <p>Establish an Audit Committee to oversee the workings of the corporate governance arrangements of the Council and to report to Council on these and related financial probity issues. The Audit Committee operates in accordance with CIPFA's "Audit Committees – Practical Guidance for Local Authorities and provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and ensures agreed recommendations are implemented</p>
<p>G Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</p>	<p>Implementing good practice in transparency</p> <p>Implementing good practices in reporting</p>	<p>All formal meetings are held in public, and the reports and minutes of those meetings are published on the Council's website, unless there are legal reasons for confidentiality. There are opportunities for members of the public to ask questions at meetings of the Council, Committees and Scrutiny Panels. Many channels of communication are used to ensure all stakeholders find information accessible.</p> <p>Report to stakeholders quarterly on performance, value for money and the use of its resources in the delivery of priorities in a timely, clear and concise way.</p> <p>Ensure robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publish the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement).</p> <p>Ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.</p>

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	Assurance and effective accountability	<p>Provide an annual audit opinion the adequacy and effectiveness of the organisations framework for risk management, control and governance processes is provided to the Audit Committee based on the work undertaken by Internal Audit during the year.</p> <p>Ensure the Assurance Risk and Audit Manager reports to the Council’s Head of Governance and Monitoring Officer and has access to the Senior Management Team, Section 151 Officer and Chief Executive as required.</p> <p>Embed the Public Sector Internal Auditing Standards into the Internal Audit Service operations and constantly review quality and strive for improvement.</p> <p>Employs a Head of Financial Services who is designated as the responsible officer for the administration of the Council’s financial affairs under section 151 of the Local Government Act 1972; their responsibilities are defined in the constitution.</p>

Signed

Leader of Allerdale Borough Council

Signed

Chief Executive of Allerdale Borough Council