Local Code of Corporate Governance

Document History

Version	Date	Author	Change description	Review & approved by
1	28/01/2021	Improvement Adviser	First draft.	Noted by Audit & Scrutiny Committee
2		Head of Legal & Programme Management Officer	Second draft.	
3	15/09/2023	Head of Legal & Monitoring Officer	Third draft.	
Next review date: Sept 2024				

Equalities Impact Assessment Assessment date – Sept 2023	No equality implications have been identified from a review of the changes made as part of the annual refresh of the Local Code of Governance (LCoG). Any changes to the policies signposted within the LCoG will be reviewed through their own individual EIAs

Introduction

Corporate governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes as well as the cultures and values that underpin a council's arrangements for effective

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

Tandridge District Council ('**The Council**') is committed to the principles of effective corporate governance and has therefore adopted a Code of Corporate Governance which follows the latest guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), entitled "Delivering Good Governance in Local Government (2016)"

Principles of good corporate governance

The CIPFA guidance defines the seven core principles, each supported by sub-principles that should underpin the governance framework of a local authority.

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 entity's capacity, including the capability of its leadership and the individuals within it;

F. Managing risks and performance through robust internal control and strong public financial management; and

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

The diagram below describes how the Council achieves the seven principles of good governance and describes how the Council's corporate governance arrangements will be monitored and reviewed.

What are the benefits of having a Code of Corporate Governance?
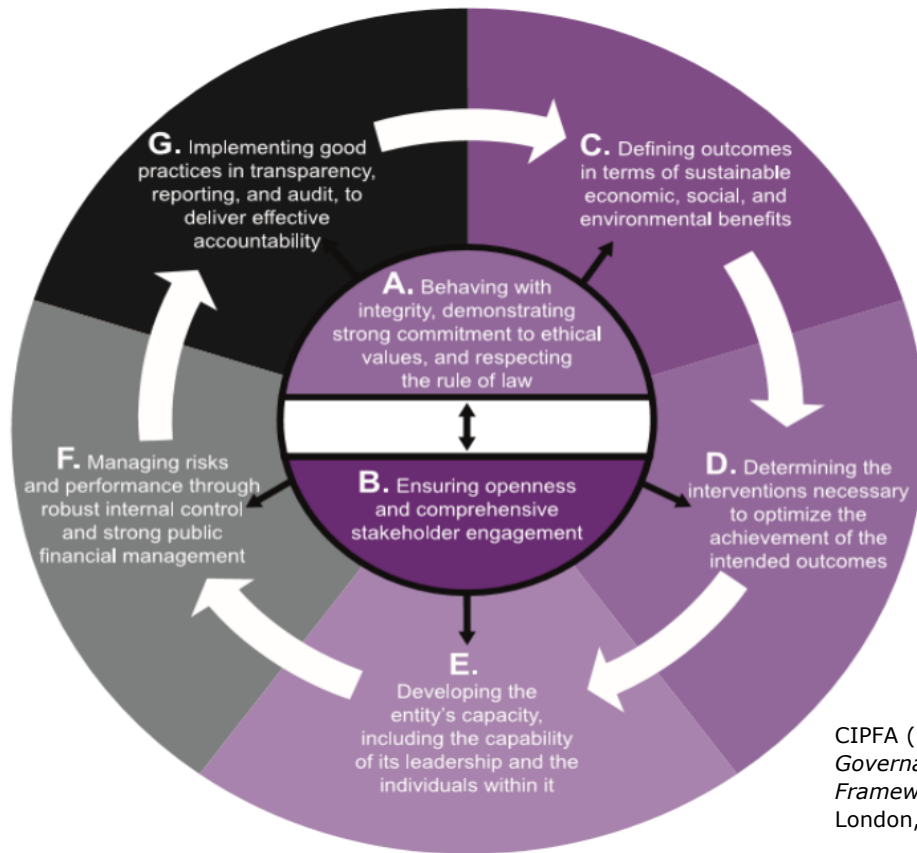
CIPFA (2016) *Delivering Good Governance in Local Government Framework 2016 Edition.* CIPFA: London, p.11.

Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for residents. It enables the Council to pursue its priorities effectively as well as underpinning those priorities with mechanisms for control and the management of risk.

The Council has a good governance framework in place. The documents and arrangements which comprise the framework demonstrate that the Council continually seeks to ensure it is and remains, well governed, through integration of the core principles of the CIPFA/SOLACE framework into all aspects of the Council's conduct and operation.

The Monitoring Officer is responsible for ensuring the Code is reviewed annually, and the outcome of the review, along with adoption of any revision to the Code is reported annually to the Audit and Scrutiny Committee.

Putting the principles into practice at the Council

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure transparency and accountability. Some of these processes are required by law, while others have been adopted at the Council's discretion. Much of the Council's approach to addressing the principles of good governance is contained within it. More specific details of the way that the Council applies the principles in practice are set out in the table below.

Monitoring and reporting

Regulation 6 of the Accounts and Audit Regulations 2015 and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published statement of Accounts. This is known as an Annual Governance Statement.

The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date and working effectively. Where monitoring reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.

The Council will prepare an Annual Governance Statement which will be submitted to the Audit and Scrutiny Committee for consideration and will form part of the Council's annual Statement of Accounts.

The Annual Governance Statement is published with the Council's accounts, on the Council website. Progress updates on implementation of actions arising from the Annual Governance Statements are provided to Audit and Scrutiny Committee during the year.

Certification

We hereby certify our commitment to this Local Code of Corporate Governance and will ensure that the Council continues to review, evaluate and develop the council's Governance arrangements to ensure continuous improvement of the Council's systems.

INSERT SIGNATURE   **INSERT SIGNATURE**

Leader of the council   **Chief Executive**
Date: Date:

Applying the principles of good governance[1]

The Council supports the above principles by:

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
What this means in practice: The Council is accountable not only for how much it spends, but also how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, it has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, the Council can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and respect the rule of the law. The Council supports the above principle by:

Supporting principles	To meet the requirements of this Principle, the Council will;	This is evidenced and supported by:	Priorities for 2023/24
• Behaving with Integrity • Demonstrating strong commitment to ethical values • Respecting the rule of law	• Maintain formal codes of conduct defining standards of behaviour expected of both Councillors and Officers • Maintain training for all Officers on the risks of fraud and corruption including understanding the Council's Anti-Fraud Strategy Statement and Anti-Fraud, Corruption and Bribery Policy and the Whistleblowing policy. • Maintain a register of interests • Maintain arrangements to investigate complaints against Councillors and Officers including alleged misconduct	• Our values and behaviours (hyperlink) • Member Code of Conduct (hyperlink) • Council Meeting minutes (hyperlink) • Anti-Fraud & Corruption Strategy (hyperlink) • Anti-Fraud & Corruption Policy (hyperlink) • Fraud e-learning Course • Anti-Money Laundering Policy • Whistleblowing Policy (hyperlink) • Internal Audit reports	• Monitor and continually improve our complaints procedure • Review of Whistleblowing Policy • Review Anti-Money Laundering Policy • Officer training on Anti-Fraud & Corruption Policy, Anti-Money Laundering Policy and Whistleblowing Policy • Preparation for new Environment Act Legislation • Ensure that complaints are investigated and responded to within timeframes in Complaints Policy

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	• Maintain effective and accessible arrangements for dealing with complaints • The Council operates within the legal framework for local councils complying with its statutory duties and making the most of its powers to meet the needs of the District and its residents. • The Monitoring Officer is responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. • The Council ensures that Statutory Officers have the skills, resources and support necessary to perform effectively in their roles. • Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making. • Officers and Members will observe all specific legislative requirements placed upon the Council as well as the requirements of general law and integrate the key principles of administrative law – rationality, legality and natural justice into the procedures and decision making.	• Register of Members' Interests (hyperlink) • Compliments, complaints and feedback Procedure (hyperlink) • Financial Regulations (hyperlink) • Contract Standing Orders (hyperlink) • Grievance Policy and Procedure • Constitution (hyperlink)	• Complete work currently underway to improve on lead times for finance and legal comments • Reports to Committees will contain all information necessary to ensure that decisions are made taking into account the principles of rationality, legality and natural justice • Resilience in the Monitoring Officer function

Principle B - Ensuring openness and comprehensive stakeholder engagement

What this means in practice:

The Council is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens, and service users, as well as institutional stakeholders.

The Council supports the above principle by:

Supporting principles	To meet the requirements of this Principle, the Council will;	This is evidenced and supported by:	Priorities for 2023/24
• Openness • Engaging comprehensively with Institutional stakeholders • Engaging with individual citizens and service users effectively	• Seek the views of its stakeholders and respond appropriately • Provide a variety of opportunities for the public to engage effectively with the Council including rights to information, participation and how to complain or comment • Ensure Council meetings are accessible • Publish Agendas, minutes, report packs and a calendar for a full year for Council meetings on our website • Ensure publication of agendas and minutes • Set a balanced budget • Publish an Annual Statement of Accounts and Annual Auditors report to inform stakeholders of the previous year's achievements and outcomes. • Consult with stakeholders in the planning process	• Public attendance at Council meetings • Constitution • Publication of all Committee and Council agendas and minutes (hyperlink) • Publicity and Media Protocol (hyperlink) • Public inspection of accounts • FOI log / spreadsheet of overdue • Partnership Agreements • Public speaking in Committee meetings • Equality Impact Assessment	• Training on Equality and Equality Impact Assessment on 19/09/23 for EMT Members • Continuous and regular engagement with EMT by Information Governance Team, to reduce the number of overdue FOI requests • Residents' Satisfaction Survey to be reviewed and assessed • Ongoing improvement of the planning function through KPIs

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

What this means in practice:

The long-term nature and impact of many of the Council's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

The Council supports the above principle by:

Supporting principles	To meet the requirements of this Principle, the Council will;	This is evidenced and supported by:	Priorities for 2023/24
• Defining outcomes • Sustainable economic, social and environmental • benefits	• Publish on the Council's website the various reports to communicate the Council's activities and achievements including its financial position and performance • Identify and manage risks • Agree a Strategic Plan that sets out the strategic objectives for the Council over the next 5 years. • Receive updates on Managers' service plans under the Future Tandridge Programme • Services will regularly report on key performance indicators (KPIs) through • Work through effective partnerships	• Council's values and behaviours • Annual Governance Statement • Statement of Accounts • External Auditors letter and report • Service Plans under the Future Tandridge Programme • Performance Management including regular reporting of key performance indicators • Project register • Climate Strategy and Action Plan • Evolving Procurement procedures – Contract Standing Orders	• Publication of the Annual Governance Statement and update to the Code of Governance • Continue to deliver the Climate Emergency Strategy Sustainable Procurement Policy • Update on Climate Emergency Strategy and Action Plan • Prepare for new Environment Act legislation • Prepare for Biodioversity and Net Gain • Continue FTP workstreams to review service plans and deliver savings targets

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

What this means in practice:

The Council achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs to ensure that it's defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

The Council supports the above principle by:

Supporting principles	To meet the requirements of this Principle, the Council will;	This is evidenced and supported by:	Priorities for 2023/24
• Determining Interventions • Planning interventions • Optimising achievement of intended outcomes	• Make a clear statement of the Council's purpose and aims and use this as a basis for corporate and service planning • Ensure budgets are prepared in accordance with organisational objectives and regularly reported upon • Provide Extended Managers' Team and Councillors with timely financial and performance information • Ensure there is a sound risk management framework to support the achievement of the Council's intended outcomes • Have robust contingency arrangements in place for business continuity and disaster recovery	• Risk Management reports to Committees • Medium Term Financial Plan • Regular financial and performance reporting to Committees • Business Continuity Plans Disaster recovery arrangements and emergency plan • Council strategies & policies • Statutory returns to government • The Council has LGA, SOLACE and CIPFA membership to ensure best practice.	• Continuously review our Council policies and strategies • Development of Planning Performance Agreements processes • Develop Strategic Plan • Continue work on the Corporate Business Continuity Plan, and service plans • Continue to survey external environment to ensure that MTFP reflects any changes to the environment • Ensure that risk registers are updated regularly and that service plans reflect measures to mitigate against key risks

	• The Council has a Medium-Term Financial Plan to resource the Council's aspirations and to assess and plan for any financial risks. • The plan is reviewed annually • The Council seeks expertise from outside when it does not have the necessary skills in-house	• TOM Group	

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

What this means in practice:

The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. It must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that it's management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual Officers. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

The Council supports the above principle by:

Supporting principles	To meet the requirements of this Principle, the Council will;	This is evidenced and supported by:	Priorities for 2023/24
• Developing the Council's capacity • Developing the capability of the Council's leadership and other individuals	• Set out a clear statement of the respective roles and responsibilities of the Committees, Full Council and Scheme of Delegation through the Constitution • Maintain Officer and Councillor induction programmes • Assess the skills required by Officers through the appraisal process and address any training gaps to enable roles to be carried out effectively	• Quarterly Check-ins and 1-1s with Officers and their line Managers • Exit interviews • Mental Health First Aiders • Effective induction programme for Officers and Councillors • Constitution • Councillor/Officer Protocol • (Codes of Conduct) • Councillor training and development • Occupational Health provider • Schemes of delegation for Officers	• Continually monitor and improve Councillor training and induction • Developing the Mental Health First Aider Group to ensure they support individuals with their physical and mental wellbeing • Continually review external resources available to Officers to support health and wellbeing, and signpost • Review Constitution at regular intervals • Review scheme of delegation at regular intervals

	• Review the scheme of delegation and Constitution and update when required • Ensure arrangements are in place to maintain the health and wellbeing of Officers	• Staff consultation- Staff Forum • Health and Safety Policy • Set of corporate values and behaviours • Future Tandridge Programme • Executive Management Team away days	

Principle F - Managing risks and performance through robust internal control and strong public financial management

What this means in practice:

The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the achievement of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

The Council supports the above principle by:

Supporting principles	To meet the requirements of this Principle, the Council will;	This is evidenced and supported by:	Priorities for 2023/24
• Managing risk • Managing performance • Robust internal control • Managing data • Strong public financial management	• Maintain an effective Audit and Scrutiny Committee • Maintain regular programme of Councillor training • Maintain sound financial procedure rules to ensure consistency and clear financial protocols • Maintain a transparent complaints procedure • Maintain a risk-based programme of internal	• Regular reporting to Audit and Scrutiny Committee • Statutory Officers meetings • Terms of reference within Constitution • Financial Regulations • Contract Standing orders • Internal Audit Charter • Regular reporting and provision of information to Audit and Scrutiny Committee including: Chief Internal Auditor's annual report • Individual audit reports • Regular progress reports on results of internal audit work	• Ensure robust and integrated risk management arrangements are in place and regularly reviewed to ensure that they are working effectively • Risk Management to be embedded into the culture of the Council • EMT to regularly review efficacy of anti-fraud and corruption measures • Feedback from Information Governance meetings to be provided to EMT and then cascaded down to service areas • RIPA refresher training and training for new Officers • Cyber security training for all Officers • Contents of reviewed IT Policies to be communicated to all Officers • Officer training on Social Media Policy

	audits which are informed by the Council's risk registers • Take account of service/project risks with each report providing an assurance opinion on how risks are being managed • Ensure effective anti-fraud and corruption arrangements are in place • Ensure effective information governance arrangements are in place to support compliance with existing and emerging legislation for data protection • Ensuring financial management supports decision making and provides enough information to support the delivery of the Council's Future Tandridge Programme	• Anti-fraud and Corruption And Bribery Policy & Strategy • Annual Governance Statement • Information governance Meetings • Regular financial and performance reporting to Committees • Medium Term Financial Plan • Quarterly performance and financial monitoring reports to Committees • Cyber risk training (Elearning) • IT & Social media Policies • RIPA Policy	

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

What this means in practice:

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.
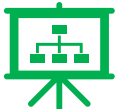
The Council supports the above principle by:

Supporting principles	To meet the requirements of this Principle, the Council will;	This is evidenced and supported by:	Priorities for 2023/24
• Implementing good practice in transparency • Implementing good practices in reporting • Assurance and effective accountability	• Maintain an effective Audit and Scrutiny Committee which encourages constructive challenge • Publish all Committee reports on our website unless there is a statutory reason not to do so • Maintain and regularly update whistleblowing policies • Ensure performance information is reported to Committees on a consistent and timely basis • Ensure Information Governance Group meet quarterly and monitor compliance with FOIs • Ensure the Internal Audit function via SIAP conforms to the Public Sector Internal Audit Standards (PSIAS) and the CIPFA • Welcome peer reviews and inspection from regulatory bodies and implement recommendations • Produce regular financial and budget monitoring reports to Committees	• Information Governance Group • Audit and Scrutiny Committee • Regular provision of information to Audit and Scruitny Committee • Annual Governance Statement • Internal Audit Charter • Chief Internal Auditor annual report • Individual audit reports • Regular progress reports on results of internal audit work • Quarterly financial and performance reporting • Reports	• Continue to monitor GDPR • Officer training to reduce data breaches • Actions from previous AGS to be monitored quarterly by EMT. • Review outcome of External Assessment of Internal Audit and develop action plan for implementation of any agreed enhancements • Review of Constitution Standing Orders • Information Government team to review reasons for overdue FOIs and consider measures to reduce the number of overdue FOIs

Responsibilities

Corporate governance and good governance are everyone's responsibility. There are however a number of specific responsibilities in relation to the implementation, monitoring and review of the Code and the production of the Annual Governance Statement, as outlined below:

Leader of the Council	Championing and role modelling good governance, in the spirit of the Code.
Head of Paid Service (Chief Executive)	Championing and role modelling good governance, in the spirit of the Code.
Head of Legal Services & Monitoring Officer	Overseeing the implementation and monitoring of the Code. Reviewing the operation of the Code and advising on any changes that may be necessary to maintain it and ensure its effectiveness in practice. Undertaking an annual review of the Code to provide assurance on the extent of compliance with it, and reporting on the extent of that assurance in the Annual Governance Statement.
Chief Financial and Section 151 Officer	Leading the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
Head of Internal Audit (Southern Internal Audit Partnership)	Reporting to the Audit and Scrutiny Committee on audit activities during the year, with particular emphasis on the systems of internal control and arrangements for corporate governance.

Governance structure

The Council	• Consists of 42 councillors. • Approves the constitution. • Appoints committees and sub-committees. • Sets council tax. • Set budget framework
Policy Committees	• Main decision-making function of the council. • Comprise four committees who have responsibilities for particular areas. • Subject to political oversight of the council. • Membership is politically balanced.
Audit & Scrutiny Committee	• Provides assurance to the council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. • Approves the Local Code of Corporate Governance, Annual Governance Statement and the Statement of Accounts. • Review and scrutinise decisions and performance of the Council and audit arrangements.
Other regulatory committees	• Licensing: deals with all aspects of local licensing for which the council is responsible. • Planning: makes decisions on certain planning applications and deals with other development control issues such as enforcement. • Standards Committee: promoting and maintaining high standards of conduct by Councillors and co-opted Councillors.
Management Team	• Implements the policy and budgetary framework set by the council, and provides advice to policy committees and the council on the development of future policy and budgetary issues. • Oversees the delivery of the council's Strategic Plan and implementation of policy. • Operationalised by leading and attending: management team, extended management team, departmental leadership team, partnership and other corporate cross-cutting board meetings.
Extended Management Team	• Responsible for developing, maintaining and implementing the council's governance, risk, performance and control framework. • Contribute to the effective corporate management and governance of the council. • Operationalised by attending and contributing to: management team, extended management team, departmental leadership team, partnership and other corporate cross-cutting board meetings.

Governance Assurance Channels

Annual Governance Statement

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Audit & Scrutiny Committee

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1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Individual Service's Management	**Corporate Oversight Functions**	**Independent Risk Assurance**
Functions that have day to day responsibility for managing and controlling activities and are accountable for successful delivery. They are responsible for adherence to internal controls and agreed policies and procedures.	Functions that set directions, define governance processes and provide assurance. Requires that the council has policies and procedures in place to guide services in key governance areas.	Provision of independent and objective opinion/assurance on service delivery arrangements, management of risks, design and operation of controls, performance and governance arrangements.

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* Required to escalate key governance concerns or weaknesses as they occur. * When escalating concerns, identify actions being taken or support required to increase the level of assurance. * Responsibility for directly assessing, controlling and mitigating risk.	* Management and extended management team meetings. * Departmental Leadership Teams * Corporate Procurement Board * Statutory and other key role officer and committee opinions (e.g. monitoring officer, S151, data protection officer, health & safety committee, safeguarding lead, programme management officer). * Policy committees. * Shared services' partnership board meetings.	* Internal Audit: annual audit plan, which when composed over a three-year period should cover all key governance areas that require assurance. * External Audit: additional line of assurance outside internal audit that focuses specifically on financial assurance. * External regulations * Review agencies, e.g. a peer review.