

Local Code of Governance

Committee considering report:	Governance Committee
Date of Committee:	26 June 2023
Portfolio Member:	Councillor Jeff Brooks
Date Portfolio Member agreed report:	25 May 2023
Report Author:	Joseph Holmes (Executive Director – Resources)
Forward Plan Ref:	GE4348

- 1.1 To provide a Code of corporate governance to the Governance Committee to approve. The code is part of the overall system of internal control at the Council and supports the provision of the Annual Governance Statement (AGS) which is approved annually by the Governance Committee.
- 1.2 The Code of Corporate Governance details how the Council complies with the CIPFA/SOLACE (The Chartered Institute of Public Finance and Accountancy, (“CIPFA”) and the Society of Local Authority Chief Executives (“SOLACE”) framework for good governance and supports the principles of good governance contained within this.

2 Recommendation

- 2.1 That the Governance Committee approves the Code of Corporate Governance.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	None directly
Human Resource:	None directly
Legal:	Compliance with the CIPFA/SOLACE framework for good governance
Risk Management:	
Property:	None

Policy:	None directly			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:		X		
Core Business:		X		
Data Impact:		X		

Consultation and Engagement:	None
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4 Executive Summary

- 4.1 Governance is about how the Council ensures it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises systems, processes, cultures and values by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads the community. The Leader of the Council and Chief Executive have a special role as custodians of the Council’s governance arrangements, but good governance is also the responsibility of all Members and Officers.
- 4.2 The Chartered Institute of Public Finance and Accountancy, (“CIPFA”) and the Society of Local Authority Chief Executives (“SOLACE”) have published a framework document for Corporate Governance in Local Government, April 2016. The Council is committed to the principles of good corporate governance through the adoption and maintenance of a Local Code of Corporate Governance, as recommended by the CIPFA/SOLACE Framework.
- 4.3 This Local Code of Corporate Governance therefore sets out and describes the West Berkshire Council’s commitment to corporate governance and identifies arrangements that will ensure its effective implementation and application in all aspects of the Council’s work. This Local Code of Corporate Governance will be reviewed by the Statutory Officers through the Finance and Governance Group regularly and at least annually as part of the preparation of the Annual Governance Statement.

5 Background

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6 Supporting Information

6.1 The Council should have an overarching code of corporate governance, and for West Berkshire this is based on the CIPFA/SOLACE framework. The framework “Delivering Good Governance in Local Government” sets out seven core principles of good governance, these are:



The Governance Framework

6.2 There are a number of key elements to the systems and processes that comprise the Council's governance arrangements. These elements form our local code of Governance and these are underpinned by the CIPFA / SOLACE framework above and core principles of good governance which are:-

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- Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area.
 - Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
 - Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - Taking informed and transparent decisions which are subject to effective scrutiny and managed risk.
 - Developing the capacity and capability of Members and officers to be effective.
 - Engaging with local people and other stakeholders to ensure robust public accountability
- 6.3 The Council's Constitution explains existing policy making and delegation procedures and the matters which must be dealt with by the full Council. It documents the role and responsibilities of the Executive, portfolio holders, each committee and Members and officers. The Council has approved a protocol governing relationships between Members and Officers as part of its Constitution and has adopted codes of conduct for both Officers and Members which facilitate the promotion, communication and embedding of proper standards of behaviour. Officers have job descriptions and there are clearly defined schemes of delegation, all of which are reviewed from time to time.
- 6.4 The Council's Constitution incorporates clear guidelines to ensure that business is dealt with in an open manner except in circumstances when issues should be kept confidential. Meetings are open to the public except where personal or confidential matters are being discussed. All Executive /committee agendas, minutes and portfolio holder decisions are published promptly on the Council's website. In addition, senior officers of the Council can make decisions under delegated authority. The over-arching policy of the Council is decided by the full Council.
- 6.5 The Scrutiny Committee and Governance Committee hold Portfolio Holders to account for delivery of the Council's policy framework within the agreed budget, and protocols are in place for any departure from this to be properly examined.
- 6.6 The Council engages with its communities through a number of channels, including consultation events, surveys and campaigns relating to specific initiatives.
- 6.7 The Council Strategy is supplemented by more detailed information on the key projects and programmes of work that the authority will be delivering during the year – with actions to achieve priority outcomes set out in service plans. More detailed service plans are drawn up by teams across the Council, with objectives set for individual members of staff through the annual appraisal process. This process also looks at the development and training needs of staff, with a programme of training then put in place to meet these needs.

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- 6.8 Progress against the Council Strategy outcomes and budgets is monitored regularly by the Corporate Board and Portfolio Holders. The Overview and Scrutiny Commission receives regular reports focusing on delivery of key projects and programmes of work and drawing attention to other areas where progress is exceeding, or falling short of targets. Portfolio Holders also monitor progress of delivery, especially through the Corporate Programme Board.
- 6.9 The Council has an officer Strategic Leadership Team (Corporate Board) to monitor financial performance, service performance, the progress of key corporate projects and risk management and to oversee the implementation of recommendations from Internal Audit reports.
- 6.10 The Council publishes an Annual Financial Report (the Statement of Accounts) annually within the statutory timescales. The Annual Financial Report incorporates the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.
- 6.11 The Council is subject to independent audit by Grant Thornton and receives an Annual Audit Letter reporting on findings. The Council supplements this work with its own internal audit function and ad hoc external peer reviews. The Governance Committee undertakes the core functions as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.
- 6.12 The Council has arrangements for managing risk in its Risk Management Policy.

7 Review of effectiveness

- 7.1 The authority has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Service Directors/Heads of Service who have responsibility for the development and maintenance of a sound governance environment.
- 7.2 Staff awareness training has been undertaken to ensure that the Council complies adequately with the provisions of the General Data Protection Regulations (GDPR) and Freedom of Information Acts, and Equality requirements, and current completion rates of this course are at over 95% across the Council.
- 7.3 The Council has appointed the Executive Director (Resources) as the Section 151 officer with the statutory responsibility for the proper administration of the Council's financial affairs. CIPFA/SOLACE advises that the S151 officer should report directly to the Chief Executive and be a member of the 'Leadership Team', of equal status to other members. The Executive Director (Resources) is a member of the Executive Leadership Team.
- 7.4 The Council has appointed the Service Director (Strategy & Governance) as the statutory "Monitoring Officer" and has procedures to ensure that the Monitoring Officer is aware of any issues which may have legal implications.
- 7.5 All Executive reports are reviewed by the S151 and Monitoring Officer. All reports to Executive are required to demonstrate how the subject matter links to the Council

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Strategy and highlight resource implications. Officers are also asked to draw out risk, equality, environmental, management and legal issues as appropriate. Similar procedures are in place for the other Council Committees.

- 7.6 The Council has whistle-blowing and anti-fraud and corruption policies. It has a formal complaints procedure and seeks to address and learn from complaints. The Council's Governance Committee deals with complaints relating to the conduct of Members.
- 7.7 Members receive regular updates and training on developments in local government. With a new intake of elected members in May 2023, there has also been an enhanced members induction programme to support new and existing members in undertaking their role.
- 7.8 Key roles in maintaining and reviewing the effectiveness is undertaken by:

The Council is collectively responsible for the governance of the Council and the full Council is responsible for agreeing the Constitution, policy framework and budget. Manages risk in making operational and governance decisions together with proposing and implementing the policy framework, budget and key strategies.

The Executive receives regular monitoring reports on revenue and capital expenditure and on key performance measures.

Governance Committee approves the annual audit plan, monitors the internal control environment through receipt of audit reports and the AGS, and keeps an overview of arrangements for risk management. It also approves this Statement and the Statement of Accounts and reviews treasury management reports.

External Audit external audit is provided by Grant Thornton. Whilst the external auditors are not required to form an opinion on the effectiveness of the Council's risk and control procedures, their work does give a degree of assurance following the annual audit of the Council's financial accounts. At the time of writing, May 2023, Grant Thornton had not completed their work on the 2020-21 financial statements, nor the 2021-22 financial statement. This provides a gap in the overall risk and control procedure for the Council. From the 2023-24 financial year, the Council will have different external auditors, KPMG.

Internal Audit The internal audit team provide the Council with an internal audit service which includes the Council's entire control environment. The Internal Audit Manager takes account of the Council's assurance and monitoring mechanisms, including risk management arrangements, for achieving the Council's objectives.

The Internal Audit Plan is based on the Risk Register and identifies Internal Audit's contribution to the review of the effectiveness of the control environment. The process includes reports to the Governance Committee on progress of audits. Regular summaries are also produced of the outcome of each audit, together with reviews of whether agreed recommendations have been implemented. Internal Audit provides an annual opinion on the internal control environment and issues that should be included in the AGS

There is a requirement for internal audit to undertake an annual self-assessment and independent external assessment every five year. Any areas of non-conformance must be reported as part of their annual report and opinion. In the light of feedback we have concluded that internal audit is an effective part of the Council’s governance arrangements.

8 Proposals

8.1 To achieve and maintain good governance, the Council will seek to apply each of the six core principles above, along with their supporting principles, in the following way:

Principle	Evidence
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<ul style="list-style-type: none"> • Members’ code of conduct • WBC values • Role of monitoring officer • Council policies e.g. anti-fraud • Emerging Behaviour Framework
Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> • Communications and Engagement Strategy and Internal Communications Strategy • Providing clear decision-making process • Review of the Constitution • Consultation process with key stakeholders • Openness of Council meetings • Access to information
Defining outcomes in terms of sustainable economic, social, and environmental benefits	<ul style="list-style-type: none"> • Health & Wellbeing Strategy • Council Strategy • Support strategies and delivery plans e.g. Environment Strategy, Economic Development Strategy • West Berkshire 2036 Vision • Local Plan Review
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> • Regularly quarterly reporting on key strategies e.g. performance reporting

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	<ul style="list-style-type: none"> • Enhanced reporting through the Council's new integrated Performance and Project Management system • Corporate Programme Board and regularly monitoring and management of overall list of projects within the governance structure • Ensuring strong link between Council Strategy and the Medium Term Financial Strategy (MTFS) • Seeking new Corporate Peer Challenge in 2023
<p>Developing the entity's capacity, including the capability of its leadership and the individuals within it</p>	<ul style="list-style-type: none"> • Recent Senior Management Review • Performance management system • Leadership and Management development through the Workforce Strategy • Political awareness training
<p>Managing risks and performance through robust internal control and strong public financial management</p>	<ul style="list-style-type: none"> • Robust quarterly monitoring of performance, finance and strategic risk register • Public scrutiny of the above at Executive, Overview & Scrutiny Management Commission and the Governance & Ethics Committee • Annual review and approval of financial statements and progress reporting on action plans • Role of internal and external audit
<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	<ul style="list-style-type: none"> • Review of Constitution • Internal audit reporting to Governance & Ethics on a regular basis and an annual report • Implementing the outcome of the Redmond Review (to G&E Committee in Feb. 2021) • Committee reports containing clear sections on consultation / risk management

9 Other options considered

9.1 As part of the preparation of the Annual Governance Statement and statements on good governance the Council should have a separate code of governance. This is included in the Annual Governance Statement for the year using the existing code of governance; this document provides an updated code for future Annual Governance Statements.

10 Conclusion

For the committee to consider the proposed updated code to be used as part of our governance structure.

11 Appendices

11.1 None

Background Papers:

Local Code of Governance 2021

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

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