

EXETER CITY COUNCIL

CODE OF CORPORATE GOVERNANCE 2015/16

1. SCOPE OF RESPONSIBILITY

- 1.1 Exeter City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. It 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.
- 1.2 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, which includes arrangements for the management of risk.
- 1.3 The City Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the code is on the Council's website.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled together with activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its purposes and to consider whether those purposes have led to the delivery of appropriate, cost-effective services.
- 2.2 The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. There is an ongoing process designed to identify and prioritise risks to the achievement of Council policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The Council supports the six core principles set out in *The Good Governance Standard for Public Services (2004)* developed by the Independent Commission on Good Governance in Public Services. The following paragraphs describe the arrangements in place to meet the six core principles of effective governance.

3. PRINCIPLE ONE - FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA

- 3.1 The Council aims to use resources effectively and provide high performing, value for money services that focus on customer needs.
- 3.2 We have a comprehensive performance management framework that supports the effective monitoring and management of performance. The main elements of our performance management arrangements are summarised below:-

- **The Exeter Vision** is the city's community strategy. It was written in consultation with key partners in the city. It sets out the priorities for the city.
- The Council's **Corporate Plan 2014-15 update** and its **Purposes** support the themes of the Exeter Vision. They are reviewed regularly.
- Each member of staff has an **Annual Growth & Development Review** where they review performance against targets and set objectives for the forthcoming year.
- The availability of quality, timely, accurate and comprehensive performance information is critical for the Council's decision-making process. **Performance measures** are monitored by each Service and are reported to the Strategic Management Team on a Monthly basis. They include financial performance, key issues logs, and areas of risk alongside traditional performance indicators. Any issues are reported to the Transformation Board, consisting of the Council's Portfolio Holders.
- Finally, the website and the Exeter Citizen are used to communicate performance to the public. A summary of our key achievements and overall performance is available on the website and publicised with Council Tax bills.

3.3 A range of financial management measures are in place to ensure the effective use and management of resources including: -

- A medium-term financial plan covering both revenue and capital spend which provides a framework for the planning and monitoring of resource requirements.
- Budget Monitoring is reported to Councillors quarterly, and is reviewed monthly by the Strategic Management Team. This is supported by an established budget monitoring process by managers and Finance staff.
- Standing Orders and Financial Regulations contained within the Council's Constitution set out the overall framework that governs the management of the Council's finances.

3.4 The Council operates a complaints procedure and uses this to identify areas where service quality is not satisfactory, and to take action to improve.

4. **PRINCIPLE TWO - MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES**

4.1 The Council aims to ensure that the roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions taken are clear. This is contained in the Council's Constitution which sets out how the Council operates and how decisions are made. In particular it sets out a clear statement of the roles of committees, the full council, members and senior officers.

4.2 The Constitution also includes a Member/Officer Protocol which describes and regulates the way in which Members and Officers should interact to work effectively together.

4.3 All Committees have clear terms of reference and work programmes to set out their roles and responsibilities. The Audit & Governance Committee provides assurance to the Council on the effectiveness of the governance arrangements, risk management and internal control arrangements.

4.4 The Council's Chief Executive & Growth Director (Head of Paid Service) leads the Council's officers and chairs the Strategic Management Team.

- 4.5 The Assistant Director Finance, as the s151 Officer, carries overall responsibility for the financial administration of the City Council.
- 4.6 The Monitoring Officer (Corporate Manager Legal Services) carries overall responsibility for regulatory compliance.
- 4.7 When working in partnership the Council will ensure that:-
- Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council;
 - Representatives understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.
- 5. PRINCIPLE THREE - PROMOTING VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR**
- 5.1 To ensure that members and officers exemplify good standards of behaviour the Council has in place appropriate codes of conduct. These clearly set out the standards of conduct and personal behaviour expected of members and officers. In particular, the codes put in place arrangements to ensure that members and officers of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.
- 5.2 The Council takes fraud, corruption and maladministration very seriously and has in place the following which aim to prevent or deal with such occurrences: -
- Anti-fraud, Anti-Bribery and Anti-corruption Strategy;
 - Whistle Blowing Policy;
 - Human Resources Policies and Procedures regarding the disciplining of staff involved in such occurrences;
 - Fraud reporting facility on the website.
- 5.3 The Council's Audit & Governance Committee advises the City Council on the adoption of Codes of Conduct with the aim of promoting and maintaining high standards of conduct by members and officers and the subsequent monitoring and updating of the codes.
- 5.4 The Council has a complaints procedure in place to receive and investigate any complaints that are made.
- 6. PRINCIPLE FOUR - TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK**
- 6.1 The Council's Constitution sets out how the Council operates and the processes for policy and decision making.

- 6.2 The full Council, comprising 40 Members, meets several times each year to decide the Council's overall policies and set the budget. In addition to recommending major strategies to the Council, the Executive is responsible for the most significant and day to day decisions which are not delegated to officers. There are three scrutiny committees which scrutinise the work of the Executive and the Council as a whole. They consider issues and review services within their remit and make recommendations to the Executive and the Council on its policies, budget and service delivery issues. Scrutiny Committees also monitor the decisions of the Executive and can in certain circumstances "call-in" a decision which has been made but not yet implemented. In June 2013, the Council set up the Audit & Governance Committee, which is independent from the Executive and reports directly to Full Council. Its role is to approve and review the work of Internal Audit, monitor risk and governance issues, approve the Council's Statement of Accounts and respond to all External Audit reports.
- 6.3 The Forward Plan, which is published on a monthly basis, identifies key decisions which are likely to be made, either by the Executive or the Council, in the following four month period.
- 6.4 Other decisions are made by officers under delegated powers. The list of decisions made by officers in consultation with portfolio holders is maintained by Member Services, to whom completed delegated powers forms are sent. The decisions are also reported on the Council's internet. A record of delegated decisions in relation to staffing matters is maintained by Human Resources.
- 6.5 Policies and procedures governing the Council's operations include:-
- Financial Regulations and Standing Orders;
 - Access to Information (incorporating Data Protection and Freedom of Information);
 - Risk Management;
 - Business Continuity.
- 6.6 Internal Audit is an independent appraisal function that reviews all of the Council's activities, both financial and non-financial. Internal Audit provides a service to the whole Council in order to provide assurance on the arrangements for risk management, internal control and corporate governance, and to provide advice to support achievement of best practice.
- 6.7 Exeter City Council is committed to the effective management of risk at every level within the Council. A Risk Management Policy has been established that states the Council's objectives, approach, procedures and responsibilities. To support the policy, risk management procedures have been produced that explain how the Council's risk management process works. The procedures show the various documents used, and explain how the risk analysis form should be completed. The Council's risk management process is audited on a regular basis by its Internal Auditors using the enhanced systems based auditing approach they devised.
- 6.8 The Council maintains a corporate risk register. Its purpose is for reporting quarterly to the Audit & Governance Committee - the 'High', 'Medium' and 'Low' corporate risks, mitigating actions agreed and taken, etc. so that risk management progress can be monitored.

- 6.9 Financial management processes and procedures are set out in the City Council's Financial Regulations and include the following:-
- Financial Management Responsibilities
 - Financial Planning
 - Control of Expenditure and Income
 - Banking Arrangements
 - Disposal of Assets
 - Insurance
 - Orders and Payment for Goods, Work or Services
- 7. PRINCIPLE FIVE - DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS**
- 7.1 The Council aims to ensure that members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well trained and competent people in effective service delivery. All new members and officers undertake an induction to familiarise them with the policies, procedures, values and aims of the Council. The Council has also signed up to the South West Charter for elected Member Development.
- 7.2 There is a Councillor Development Framework which broadly outlines the skills and knowledge required by Councillors to perform their different roles and provides an indication of how they might carry them out effectively. It is not intended to be exhaustive or prescriptive but to provide a structure for officers to develop learning & development programmes and act as a prompt for new and existing Councillors to identify areas where they need support. This support could be in the form of information, training, facilitated workshops, coaching and mentoring, or opportunities to learn from observation. The framework is designed to be flexible, so that Councillors can work with officers to identify the most effective methods to meet learning development needs.
- 7.3 The Council has also developed its own Councillors' Information Portal. This gives members access via the intranet to a wide range of information on a range of key topics.
- 7.4 The Council recognises that the quality of the services provided by the Council depends on the quality of its employees. The Growth & Development Review is the way in which employees and their managers can identify their training and development needs and one way in which managers can talk to their staff about their work and the work of the Council.
- 7.5 A full programme of training and development is available to all managers to provide them with the understanding, knowledge and skills to carry out their managerial responsibilities effectively. This is managed centrally to achieve cost savings while enhancing equality of opportunity of accessing resources.
- 8. PRINCIPLE SIX - ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY**
- 8.1 As a community leader the City Council works with numerous partners to contribute to the overall quality of life in the city, but it is also concerned with providing the highest quality public services and the widest access to those services. Individual services are continuously assessing service levels and making improvements in line with legislative requirements and customer feedback.

8.2 The Council has a continuous programme of consultation and engagement with its residents and communities which informs its activity. A range of methods are employed to ensure that it hears the views of all our residents. These include:

- Surveys – used to obtain detailed feedback about services;
- Focus groups – used to obtain detailed feedback about services;
- Exhibitions and roadshows – used to launch new ideas and initiatives.

9. REVIEW OF EFFECTIVENESS

9.1 The City Council has 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 managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors and also by comments made by the external auditors and other review agencies and inspectorates.

9.2 The processes for maintaining and reviewing the effectiveness of the governance framework are: -

- Executive is responsible for considering overall financial and performance management and receives comprehensive reports throughout the year;
- Scrutiny Committee Resources monitors the overall financial performance of the Council;
- Audit & Governance Committee monitors the effectiveness of risk management, Internal Audit and the system of internal control. Budget monitoring reports are also presented to both Scrutiny Committee Economy and Scrutiny Committee Community quarterly;
- Annual reviews of the Council's key financial and non financial systems by Internal Audit against known and evolving risks and cyclical reviews by Internal Audit of internal controls in operation within each service area against known and evolving risks are reported on a quarterly basis to the Audit & Governance Committee;
- The Monitoring Officer provides assurance that the Council has complied with its statutory and regulatory obligations;
- Annual reviews of the Council's financial accounts and records by the External Auditors leading to their opinion as published in the year-end statements;
- Ongoing reviews of strategic and operational risks in each service area and the conduct of risk analysis and management in respect of major projects undertaken by the Council;
- Reviews and, where appropriate, updates of the Council's Financial Regulations and Standing Orders.

10. DATE OF NEXT REVIEW

10.1 The Code of Corporate Governance will be reviewed annually by the Section 151 Officer in consultation with the Policy Unit and presented to the meeting of the Audit & Governance Committee in March 2016.