

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2018/19**

<p><b>AUDIT COMMITTEE</b></p> <p><b>29<sup>th</sup> April 2019</b></p>	<p><b>AGENDA ITEM NO. 6</b></p>
<p><b>REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES</b></p>	<p><b>LOCAL CODE OF CORPORATE GOVERNANCE</b></p>

Author: Paul Griffiths (Service Director, Finance and Improvement Services)

**1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to provide Audit Committee with the Council's draft Local Code of Corporate Governance.

**2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Review the draft Local Code of Corporate Governance (Appendix 1) and determine whether any amendments are required.
- 2.2 Approve a version of the Local Code of Corporate Governance for publication on the Council's web-site.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure the key policies and procedures that comprise the Council's governance arrangements are set out in one document, in line with national guidance.

**4. BACKGROUND**

- 4.1 The *Delivering Good Governance in Local Government: Framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) sets out the requirement to develop and maintain an up-to-date local code of governance reflecting the principles contained within the 2016 Framework.

- 4.2 In line with this requirement, the Council's 2017/18 Annual Governance Statement recommended the publication of a Local Code of Corporate Governance further to it being reviewed and approved by elected Members.

## **5. DRAFT LOCAL CODE OF CORPORATE GOVERNANCE**

- 5.1 A draft Local Code of Corporate Governance has been compiled in line with the *Delivering Good Governance in Local Government: Framework (2016)* and is included as Appendix 1.
- 5.2 The document aims to support Rhondda Cynon Taf County Borough Council's commitment to the highest standards of corporate governance. It sets out the key policies and procedures in operation within the Council, with each being allocated against one of the seven principles included within the 2016 Framework.
- 5.3 Members are requested to review the draft Local Code of Corporate Governance and determine whether any amendments are required and, thereafter, approve a version of the document for publication on the Council's web-site. Moving forward, the annual assessment of the Council's governance arrangements will encompass a review of the Local Code of Corporate Governance.

## **6. EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 There are no equality and diversity implications as a result of the recommendations set out in the report.

## **7. CONSULTATION**

- 7.1 There are no consultation implications as a result of the recommendations set out in the report.

## **8. FINANCIAL IMPLICATION(S)**

- 8.1 There are no financial implications as a result of the recommendations set out in the report.

## **9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 The establishment of a Local Code of Corporate Governance meets the requirements placed upon local government as set out within the *Delivering Good Governance in Local Government: framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).

**10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

THE COUNCIL'S CORPORATE PLAN PRIORITIES

- 10.1 The development of a Local Code of Corporate Governance supports the delivery of the priorities contained within the Council's Corporate Plan – *The Way Ahead*, in particular 'Living Within Our Means' through ensuring that appropriate information is made available to the public in respect of how the Council conducts its business.

WELL-BEING OF FUTURE GENERATIONS ACT

- 10.2 The Sustainable Development Principles, in particular Prevention, can be applied to the systematic approach of developing and publishing information in respect of how the Council conducts its business in an open and transparent manner.

**11. CONCLUSION**

- 11.1 The draft Local Code of Corporate Governance has been compiled in line with *Delivering Good Governance in Local Government: Framework (2016)* and brings together the key policies and procedures that comprise the Council's governance arrangements.
- 11.2 The document aims to support Rhondda Cynon Taf County Borough Council's commitment to the highest standards of corporate governance.

**Other Information:-**

***Relevant Scrutiny Committee***

None.

***Contact Officer*** – Paul Griffiths

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

29<sup>th</sup> April 2019

**LOCAL CODE OF CORPORATE GOVERNANCE**

**REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES**

Author: Paul Griffiths (Service Director, Finance and Improvement Services)

**Item: 6 – Local Code of Corporate Governance**

**Background Papers**

None.

Officer to contact: Paul Griffiths



## **Appendix 1 – Local Code of Corporate Governance**



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

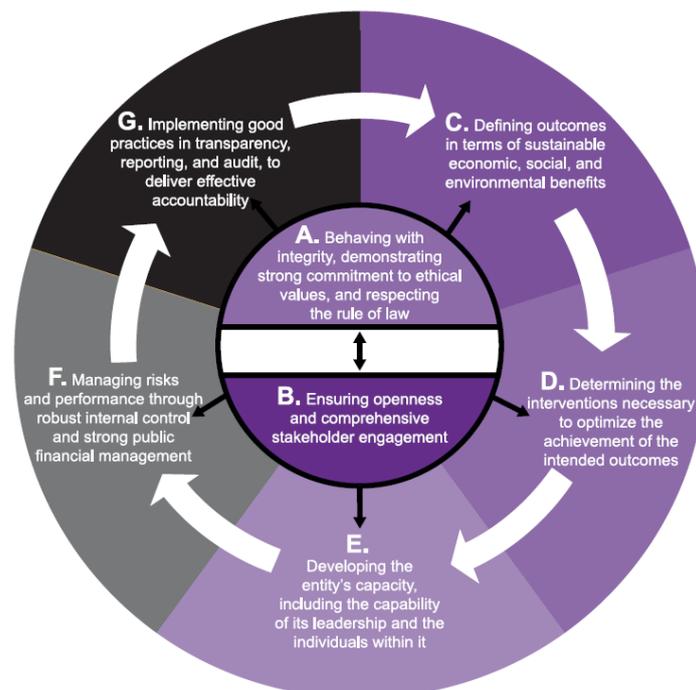
LOCAL CODE OF CORPORATE GOVERNANCE

## 1. Introduction

- 1.1 Rhondda Cynon Taf County Borough 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.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.
- 1.3 The Council, in compiling its Local Code of Corporate Governance, has adopted the principles contained within the *Delivering Good Governance in Local Government: framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).

## 2. The Governance Framework

- 2.1 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.



- 2.2 The Framework comprises two Core Principles (A & B) and five Supporting Principles (C to G).

- 2.3 The core principles permeate the implementation of the supporting principles with the need for the whole Council to be committed to improving governance on a continual basis through a process of evaluation and review.
- 2.4 The governance framework in place within Rhondda Cynon Taf County Borough Council comprises the systems, processes and cultural values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. This framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

### **3. Defining Governance**

- 3.1 The International Framework defines governance as follows:

*Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.*

- 3.2 The International Framework also states that:

*To deliver good governance in the public sector, both governing bodies<sup>1</sup> and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.*

*Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.*

- 3.3 The Council's commitment to good governance is centred on the requirement to meet statutory obligations and deliver its Corporate Plan Priorities, and is based on the seven principles of *Delivering Good Governance in Local Government: framework (2016)*.

**For Rhondda Cynon Taf County Borough Council, governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.**

---

<sup>1</sup> In local government, the governing body is the Full Council.

#### 4. The Governance Framework in place within Rhondda Cynon Taf County Borough Council

- 4.1 The Council has in place a range of policies, procedures, systems and processes that form its overall governance arrangements. These arrangements are in line with the *Delivering Good Governance in Local Government: framework (2016)*, many of which are set out within its [Constitution](#). The following summary provides an overview of the Council's Governance Framework:

##### **Core Principle A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.**

Good governance flows from a shared ethos and culture, as well as from systems and structures. As a public body, Rhondda Cynon Taf County Borough Council expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity.

The Council has a series of codes, protocols and policies in place, and support and training is provided in these areas to help ensure elected Members and Officers understand what is required.

##### **Examples of key systems, processes and documents in place within the Council**

- Elected Councillor and Officer Codes of Conduct - setting out the standards of behaviour to be followed based on the principles of integrity, honesty, impartiality and objectivity.
- Rules of Procedure – covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and Contract and Financial Procedure Rules. The rules set out arrangements to be followed by elected Councillors and Officers when conducting the Council's business with the aim of publicly demonstrating accountability and openness.
- Standards Committee - the role of which includes, amongst other things, promoting and maintaining high standards of conduct by elected Councillors.
- Whistle-blowing Policy – promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the Council.
- Anti-fraud, Bribery & Corruption Strategy.

- Gifts and hospitality Policy.
- Comments, Compliments and Complaints – setting out how the Council handles and responds to feedback (complaints, compliments and comments).
- Officer Guide.

**Core Principle B. Ensuring openness and comprehensive stakeholder engagement.**

The Council is committed to being open and engaging effectively with stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.

**Examples of key systems, processes and documents in place within the Council**

- A Publication Scheme that aims to advise citizens how to request public information the Authority holds.
- Clear and open Corporate & Service Specific Privacy Notices.
- Forward plans for Committee meetings together with the matters to be considered, where appropriate.

<b>Supporting Principles</b>	<b>Examples of key systems, processes and documents in place within the Council</b>
<p data-bbox="226 300 999 368"><b>Defining outcomes in terms of sustainable economic, social and environmental benefits</b></p> <p data-bbox="226 395 999 501"><b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	<ul data-bbox="1077 300 2040 608" style="list-style-type: none"> <li>• Performance Management Framework.</li> <li>• Corporate Plan and Service Delivery Plans.</li> <li>• Quarterly Performance Report (including Risk Register up dates).</li> <li>• Risk Management Strategy.</li> <li>• Annual Revenue Budget Strategy and three year Capital Programme.</li> <li>• Medium Term Financial Plan.</li> <li>• Scrutiny Committees.</li> </ul>
<p data-bbox="226 646 999 751"><b>Developing the entity's capacity, including the capability of its leadership and the individuals within it</b></p>	<ul data-bbox="1077 646 2040 874" style="list-style-type: none"> <li>• Corporate and Service Self Evaluation process.</li> <li>• Corporate Plan.</li> <li>• Programme of elected Councillor and Officer training and development.</li> <li>• Workforce Plan 2017-22.</li> <li>• Schemes of Delegation.</li> </ul>
<p data-bbox="226 912 999 1018"><b>Managing risks and performance through robust internal control and strong public financial management</b></p>	<ul data-bbox="1077 912 2040 1332" style="list-style-type: none"> <li>• Corporate and Service Self Evaluation process.</li> <li>• Risk Management Strategy.</li> <li>• Service Delivery Planning.</li> <li>• Quarterly Performance Report (including Risk Register up dates).</li> <li>• Corporate Performance Report (i.e. year-end annual report).</li> <li>• Audit Committee and an Internal Audit function.</li> <li>• Information Management Plan (including General Data Protection Regulation).</li> <li>• Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules.</li> <li>• Medium Term Financial Plan.</li> </ul>

<b>Supporting Principles</b>	<b>Examples of key systems, processes and documents in place within the Council</b>
<b>Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</b>	<ul style="list-style-type: none"><li>• Reporting protocols and calendars (including forward looking work programmes, for example, for Cabinet and Scrutiny Committees).</li><li>• Statement of Accounts.</li><li>• Annual Governance Statement.</li><li>• Production of Annual Reports on key areas of business e.g. Corporate Parenting, Annual Equality Report.</li><li>• Internal Audit external assessment and Charter.</li><li>• Pension Fund Committee.</li></ul>

**5. REVIEW OF EFFECTIVENESS**

- 5.1 The Council is required to conduct an assessment of its governance framework including the system of internal control. The review of effectiveness at Rhondda Cynon Taf is led by the Director of Finance and Digital Services.
  
- 5.2 The exercise involves a continued review of the activities in place around the Council's main governance arrangements, discussing and challenging the governance arrangements with senior officers across services and taking account of the findings from the Council's corporate assessment findings and any external inspections that take place. The outcome of the review of effectiveness is reported in the Annual Governance Statement, prepared each year.
  
- 5.3 The draft Annual Governance Statement is reviewed and challenged by the Council's Senior Leadership Team and then presented to the Council's Audit Committee for review, challenge and approval. A copy of the Council's Annual Governance Statement is available on the Council website.

\*\*\*\*\*