

*Epping Forest District Council*

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# Local Code of Governance

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Delivering Good Governance in Local Government

# Epping Forest District Council Local Code of Governance

## Introduction

1. Epping Forest District Council has agreed a Code of Corporate Governance which reflects the key components set out within a framework produced in April 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) entitled “Delivering Good Governance in Local Government” (the framework).
2. Corporate governance is the system by which local authorities direct and control their functions and relate to their communities. It is essential that the Council meets the highest standards and that their governance arrangements are demonstrably sound.
3. The new Framework is intended to help the Council to review and demonstrate that its approach to governance ensures that resources are directed in accordance with agreed policy and priorities and there is effective decision making and clear accountability to the public.
4. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 also require the Council to conduct an annual review of the effectiveness of its system of internal control which is published with its Statement of Accounts. This new code provides the framework for such annual reviews for the year 2016/17 onwards.

## Requirements of the framework

5. The Council is required to test their Governance structures against the principles contained in the framework by:
  - Reviewing existing governance arrangements
  - Having an up to date Code of Governance including its arrangements for ensuring ongoing effectiveness; and
  - Reporting annually on compliance with the code and how they have monitored the effectiveness of their arrangements
6. This Code sets out in tabular form the Council’s approach to governance and the arrangements it has in place against which annual reporting will take place. The Code tables also set out how the Councils arrangements comply with the core and sub-principles set out within the framework.

## The Core Principles

7. The framework defines the Core Principles. The Council will:
  - (1) behave with integrity, demonstrating a strong commitment to ethical values and respect the rule of law.
  - (2) ensure openness in its culture and engage comprehensively with stakeholders, citizens and service users.
  - (3) have a clear vision and defined desired outcome in terms of sustainable, social and environmental benefit.
  - (4) have in place interventions necessary to optimise the achievement of its intended outcomes.

- (5) develop its capacity and capability of its leadership and staff
- (6) manage its risk and performance through robust internal control and strong public finance management.
- (7) implement good practice in transparency, reporting and audit to deliver effective accountability.

8. Appendix 1 to this Code demonstrates the Council response to these Core Principles

### **Annual Reporting**

9. In accordance with the Framework, the Council will report annually on the extent to which they comply with this Code. This is currently within the Terms of Reference of the Audit and Governance Committee. This may change from time to time but reporting will be on an annual basis.

### **Key Policies in Corporate Governance**

10. The key policies and procedures that have been taken into account in the formulation of this Code are listed below:

- The Council Constitution
- Corporate Plan 2016-2020
- Financial Regulations and Associated Guidance
- Treasury Management Policy
- Procurement Rules
- Scheme of Delegation
- Human Resource Policies
- Members/Officers Code of Conduct
- Confidential Reporting Policy (Whistle Blowing)
- Anti-Fraud Policy
- Risk Management Strategy
- Communication Strategy
- Consultation Strategy
- Health and Safety Policy
- Data Protection Policy

## How the Council meets the Core Principles

**1(a) Behaving with Integrity**

The Council does this by:

- Having in place an agreed Code of Conduct for members and staff which includes provisions that require a further perception test on members when acting in the public interest.
- Having in place well-structured and transparent decision making processes and delegation arrangements
- Reviewing and adopted the revised Nolan Principles of Standards in Public Life and annual standards training given to all members together with interest declarations at meetings
- Corporate Governance Group meeting on a monthly basis to consider governance and integrity issues
- Regularly review its Policies to ensure that they remain effective
- Regular meetings of Management Board (MB) and Cabinet Councillors (Cab) to ensure coherent political direction.
- Established staff procedures through HR; annual Performance and Development Reviews (PDR) for all staff, methods of appeal and disclosure forms for staff interests

**1(b) Demonstrating Strong Commitments to Ethical Values**

The Council does this by:

- Appointing Experienced Section 151 / Monitoring Officers with appropriate qualifications and seniority within the Council to promote ethical values
- Council appointing a Standards Committee with Independent Persons
- Established processes for quickly investigating complaint / ethical standards issues.
- Providing advice on ethical standards to Parish and Town Councils.
- A supported and effective whistleblowing policy.
- Promoting ethical values through standard contract documentation.

**1(c) Respecting the Rule of Law**

The Council does this by:

- A modern, up to date, Constitution that has been peer reviewed by Counsel
- Ensuring all decision making reports containing relevant legal constraints.

- Ensuring decisions are only taken after advice from appropriate officers.
- Section 151 / Monitoring Officers are part of report clearing process.
- Reporting breaches of legal / regulatory provisions through CGG and Audit and Governance Committee.

### **2(a) Openness**

The Council does this by:

- Responding to FOI (Freedom of Information) and data access requests in accordance with legal provision.
- Using open data standards in on-line data sites including spend and contract information
- Publishing an FOI publication scheme
- Publishing on-line and properly documenting all decisions taken by the executive.
- Maintaining a list of decisions due to be taken by the Cabinet including transparency / notice of those decisions to be taken in private session.
- Webcasting of all Executive, Audit, Planning and Overview & Scrutiny Committee meetings
- Maintaining an effective website
- Making publicly available agenda of and clear minuting of all meetings in accordance with statutory regulations.

### **2(b) Engaging comprehensively with institutional stakeholders**

The Council does this by:

- Developing formal partnerships / making arrangements where an effective business case can be demonstrated.
- Attending and participating in meetings with other local authorities under 'duty to cooperate'
- Engaging with local organisations by officer attendance / participation
- Appointing Members to other community organisations that request it.
- By monitoring and maintaining an effective record of the partnerships we participate in
- By providing effective 'critical friend' challenge through the Council's scrutiny processes.

## **2(c) Engaging with individual citizens and service users effectively**

The Council does this by:

- Having a consultation policy and plans
- Ensuring meaningful consultation takes place during key service changes.
- Ensuring statutory consultation processes are followed and consistently applied
- Using a combination of communication methods to engage with citizens
- Having clear compliment and complaint procedures
- Ensuring the Council and its Members take account of consultation in the context of its decision making and the financial impact on tax payers.

## **3. Defining outcomes in terms of sustainable economic, social and environmental benefits**

The Council does this by:

- A corporate plan that has a clear vision of the economic, social and environment of the district, with supporting business/service plans
- A draft local plan that supports the Councils vision
- That decision making takes account of these effects on its residents and paying due regard to the public sector equality duty
- By ensuring the Council provides fair access to the services it provides.
- Having an approved Green Charter and a supported multidisciplinary officer working party to discuss green issues.

## **4. Determining the interventions necessary to optimise the achievement of intended outcomes**

The Council does this by:

- Decision making processes that receive objective and rigorous analysis including involvement of the Monitoring Officer and the Section 151 Officer
- Processes that take account of service users when making decisions
- Retain control over preparation of strategic and operational plans
- Monitoring regimes for task and finish management
- A demonstrable corporate approach to project management
- An active plan for key objectives that is measurable
- Key Performance Indicators that are measurable / SMART and take account of Councils objectives

- Regular reviews of the Councils Medium Term Financial Plan against Council priorities
- A robust budget preparation process that reflects the Councils objectives and the medium term financial plan.

### **5. Developing the Councils capacity**

The Council does this by:

- That the Council operations, performance and use of its assets are reviewed regularly to ensure their effectiveness
- That appropriate benchmarking is used in assessing whether outcomes can be achieved
- Participate in partnerships where there is a sound business case that it will add value
- Having an effective workforce plan to enhance resource allocation
- Having clear systems of decision making and effective delegation schemes
- The Leader/ Chief Executive / Directors have clearly defined leadership roles
- Members and staff have appropriate induction processes, access to personal development appropriate to their roles, staff have annual PDR's and access to arrangements to maintain their health and wellbeing.

### **6 Managing Risk and Performance**

The Council does this by:

- Ensuring risk management is an integral part of the Councils activities and decision making
- Having robust and integrated risk management arrangements with regular and dynamic consultation of risk by Management Board and Senior Management Teams
- Clear responsibilities for managing individual risks and a Risk plan that allocates responsibility against each risk
- Ensuring Services / projects are effectively monitored at planning, specification, execution and post implementation stages by having a Transformation programme that is responsible for tracking projects.
- an effective Overview and Scrutiny function to provide constructive challenge on policy and performance
- Councillors receiving regular reports on Service / Council delivery plans
- Having counter fraud and anticorruption arrangements in place and an established Corporate Fraud Team and whistleblowing policy
- An effective Internal audit function to provide assurance on governance / risk management and control

- An Audit and Governance Committee that is independent of the Cabinet providing additional assurance with the power to ensure its recommendations are listened to and acted upon
- Having effective arrangements in place for the safe management of data particularly data sharing with other bodies and a designated data protection officer.
- Effective financial management systems that include management of financial risks.

## **7 Transparency, reporting and auditing**

The Council does this by:

- Having a defined process to ensure that reports for the public / stakeholders are fair, balanced and easy to access and understandable for the audience
- Reporting regularly on performance and on use of resources
- Requiring managers to produce annual assurance statements
- Ensuring that Management and Members have clear lines of responsibility for the performance results
- Preparing an annual governance statement on the robustness of this framework
- Having processes to ensure external / internal audit recommendations are acted upon / responded to by managers and the Council
- Having effective internal audit and annual audit programs that are accessible for member scrutiny and tracked subsequently.