

LONDON BOROUGH OF BARKING AND DAGENHAM
CODE OF CORPORATE GOVERNANCE

Introduction

Corporate governance is the system by which we (the Council) direct and control our functions, and relate to our community. Good corporate governance is essential to making sure there is credibility and confidence in the public services we provide.

This Code sets out our commitments and how we make sure that our corporate governance arrangements are sound and effective, and that relevant systems and processes are regularly monitored.

It has been developed in line with four general principles of good corporate governance. The principles are:

- **Openness** in decision-making and management processes, and in the approach of individuals within the Council.
- **Inclusivity** to make sure that the community and others who have an interest in the Council, have the opportunity to engage effectively with decision-making processes and Council actions.
- **Integrity** based on honesty, selflessness and objectivity, together with high standards of conduct, propriety and probity in running the Council's affairs and managing public monies.
- **Accountability** to make sure that the Council, Members (elected councillors) and staff are responsible for decisions and actions, and submit themselves to appropriate external scrutiny.

The Code follows a Framework recommended to local authorities jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).

Commitments

We are committed to:

- working for and with local communities, and exercising leadership where appropriate
- acting as an ambassador to promote the well-being of the Borough
- making sure there is continuous improvement in service delivery
- making sure that agreed policies are implemented and decisions carried out

- making sure that political and management structures and processes are effective in governing decision-making
- establishing a systematic strategy, framework and process for managing risk
- making sure there are high standards of conduct by Members, staff and agents employed to work for us, and encouraging others who work with us to respect certain standards of behaviour.

Meeting these commitments

To achieve the principles of good corporate governance and to show our commitment, we have an extensive range of systems, procedures, processes and actions. We also have plans to do other work which will strengthen this further.

Details are summarised under five dimensions:

- Community Focus
- Service Delivery Arrangements
- Structures and Processes
- Risk Management and Internal Control
- Standards of Conduct

(1) Community Focus

We undertake to:

- publish an annual Best Value Performance Plan, including a Summary, to inform the community of our key activities and achievements, how we have performed over the previous year in terms of service delivery, and what our future plans are to improve service quality
- publish an Annual Accounts report telling the community about our financial position
- implement, monitor and periodically revise a Community Strategy, in consultation with the Barking and Dagenham Partnership (the Local Strategic Partnership), and in doing so work with our partners and the community to achieve our vision for the Borough.
- promise, through a Consultation Strategy, that consultation will be planned well in advance and targeted to secure the views of the whole community, including hard to reach groups. Also that consultation will be used to improve policies and service delivery
- promise, through a Communications, Reputation and Branding Strategy and Manual, that we will be as open as possible in our dealings
- respond positively to the Freedom of Information Act 2000
- create a vision for community engagement and empowerment in the Borough and follow up on related actions

- support and encourage the active involvement of residents in the process of local authority decision making
- specifically involve residents in local democracy and listen to their views through **relevant forums** ~~Community forums and Community Housing Partnerships~~ enabling them to have a real say in how the Council operates and delivers services
- promote equality for everyone and reflect the full diversity of the community in all our activities and functions through an Equalities and Diversity Policy. This means, amongst other things, that we undertake to do all we can to provide equality of access to our services for all residents based on individual and community need.

Service Delivery Arrangements

We undertake to:

- manage and measure the performance of the Council through a business and performance planning system - the Balanced Scorecard. This provides appropriate links between corporate and service aims, makes sure that strategies and objectives are directed towards priorities, and sets and monitors standards and performance targets for service delivery. All Service Scorecards are required to include an equalities and diversity objective, and sustainability is taken into account in relevant areas
- measure performance through a rigorous and sound process, including regular monitoring and reporting to Members and senior management. The Executive, for example, receives quarterly reports on performance monitoring, and the Scrutiny Management Board monitors performance indicators which fall into the bottom quartile of National indicators.
- link finances to priorities through our budget process (~~although we need to better streamline the process and we are working on this~~). This includes consulting the community for their views on the Council's budget strategy
- foster effective relationships and partnerships with other public sector agencies, and the private and voluntary sectors. (The Barking and Dagenham Partnership mentioned earlier is a good example of this)
- deliver services to meet the needs of the local community, and in a way which is effective and appropriate. This includes comparing and considering outsourcing where it is efficient and effective to do so. As a result, some services have been put out externally
- fully consider the findings and recommendations of external auditors and inspectors, and put in place arrangements to implement and monitor agreed actions. The Corporate Monitoring Group **and Audit Committee are** ~~is~~ responsible for this.
- target the poorer performing services through regular reports to the Scrutiny Management Board. This way we undertake to identify any barriers to improvement and make sure there is progress in tackling problems and improving services

- publish service standards so that our residents are clear about the standards they should expect and the time frame in which they should be provided.

Structures and Processes

We undertake to:

- set out clearly in our Constitution the political management arrangements, financial, contracts and other rules and protocols within which the Council must operate
- clearly define in our Scheme of Delegation, in the Constitution, the responsibilities of the various meetings of the political structure and the authority which is delegated to Chief Officers. Compliance with the Scheme is checked quarterly by the Council's Monitoring Officer
- provide for our Assembly (our monthly meeting of all Members) to formally set the strategic direction of the authority. The Assembly gives the Executive power to make decisions on all major issues affecting the Council, particularly strategic, financial, policy related and corporate management matters, within the overall framework set by it. Policy Commissions are set up when appropriate to examine and develop particular policies
- provide for discretionary, regulatory functions (such as development control and licensing) to be dealt with through quasi-judicial boards
- provide job profiles for our Executive Members. Amongst other things, these look to the Executive Members to shape and develop priorities and vision
- identify a strategy for all service areas through Service Balanced Scorecards, together with an indication of how they will be delivered
- encourage good working relationships between Members and staff. This is governed through a Member/Employee Relations Protocol which clearly sets out the differences between the respective roles
- provide a comprehensive training package for all Members to make sure that they are properly trained for their roles. This includes special briefings when they first join the Council and a series of learning and training opportunities (internal and external) during their period of office. Personal Development Planning is offered to those Members who would like it
- provide Members with access to all relevant information, advice and resources needed to help them carry out their roles effectively. This includes general support which is provided through a team of staff dedicated to supporting them, and strategic policy advice / research which is available through departmental policy officers and a corporate policy team. For those Members who represent the Council on external organisations, we provide a link with a relevant contact senior officer for briefing purposes. There is also a monthly magazine for Members (Member Matters) to keep them up to date with matters of interest

- pay Members an allowance for their work. This includes special responsibility payments for those Members who undertake key roles. The level of payments is clearly defined in the Members' Allowances Scheme within the Constitution, and is reviewed annually by an independent panel
- give responsibility to the Chief Executive for all aspects of operational management
- give responsibility to the **Chief Executive and the Head of Corporate Finance** ~~Director of Finance~~ for giving appropriate advice on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control
- give responsibility to the Monitoring Officer, to make sure that agreed procedures are followed and that all statutes, regulations and other relevant statements of good practice are complied with
- define, in the Constitution, the general roles of our most senior officers. These officers are required to meet certain management competencies. Their pay is reviewed every four years.

Risk Management and Internal Control

We undertake to:

- make sure there is a robust system for identifying and evaluating all significant risks through a strategic Risk Management Policy. A strategic risk register has been agreed and a register for operational risk is being developed
- make sure we have strong controls in our major financial systems and that audit work is of a high quality. Our external auditors review these annually and we have "managed audit" status reflecting our strengths. Systems for the management of non-financial / uninsurable risk will be developed
- have an objective and professional relationship with our external auditors and statutory inspectors. Our external auditors carry out an annual review of our activities and look in depth at selected topics
- self assess ourselves annually against a Code of Audit Practice which measures our financial standing, our systems of internal financial control, our standards of financial conduct and the prevention and detection of fraud and corruption, our financial statements, the legality of our financial transactions, and related aspects of performance management. Our self assessment is then judged and scored by our external auditors
- make an annual report on internal controls and financial risk to our **Audit Committee**. ~~Corporate Monitoring Group which, amongst other things, acts as the Council's "audit committee"~~. A 'Statement of Assurance' features in our annual report to give further confidence in our controls
- make sure financial and contracts rules are clear to all by including a Financial Regulatory Framework in our Constitution. This includes the following four documents:

- Contracts Rules - mandatory rules setting out the minimum requirements for letting, managing and awarding contracts
 - Contracts Guidance Notes - explaining the principles underpinning the rules
 - Contracts Code of Practice - outlining detailed procedures
 - Financial Rules - mandatory rules setting out the minimum requirements for financial administration and covering the financial stewardship of all the Council's assets and resources. The rules cover both capital and revenue expenditure
- make sure that staff are appropriate and competent for the job through a Recruitment and Selection Policy
 - make sure that all staff have every opportunity to be well trained to meet the requirements of their job and further their careers through a comprehensive Staff Development Programme, annual staff appraisals, and Personal Development Plans.

Standards of Conduct

We undertake to:

- require all our Members and statutory co-opted Members to sign up to a Members' Code of Conduct within two months of their election/appointment. All Members are regularly briefed on related issues so that there is a clear understanding of the high standards of conduct expected from them
- also require all staff to abide by high standards of conduct in an Employees' Code of Conduct. ~~(We are currently waiting for the new national model Employee's Code from central Government at which time we will consider a revised Code and an associated relaunch with relevant briefings and training for staff)~~
- adopt a special Planning Code for Members to make sure that Members and Development Control Boards act reasonably and openly in dealing with planning matters; **and similarly adopt a Licensing Code**
- make certain through the Standards Committee and its key officers, that relevant and regular briefings, information and training is provided for Members and staff specifically about standards and ethical issues to reduce any risk of them inadvertently acting inappropriately
- make sure that all non-elected volunteers who assist with work on Council meetings, groups and related activities act appropriately by asking them to respect certain standards of behaviour which we have set
- make sure that Members declare any relevant interests by reminding Members personally at least annually of their obligations and drawing to their attention on every agenda the need to declare any direct / indirect financial or other interests they may have in any matter to be considered at the meeting in question

- make sure that rules dealing with Conferences, Visits and Hospitality, clearly set out appropriate requirements in these areas and are applied to Members and staff. Periodic checks of any necessary reports, registers and records are carried out
- make sure Members are clear about their use of Council resources, facilities and equipment through a special Guide
- provide a confidential, safe route for staff and members of the public to report serious malpractice through a Whistle-blowing Policy.

Reviews and Monitoring

- The Constitution is generally regularly checked every quarter for any minor operational or administrative changes that might be necessary.
- The Standards Committee reviews the following documents annually:
 - Employees Code of Conduct
 - Member/Employee Relations Protocol
 - Members' Code of Conduct
 - Members' Guide to the Use of Resources, Facilities and Equipment
 - Rules for Conferences, Hospitality and Visits
 - Standards of Behaviour for Volunteers undertaking Council activities
 - Whistle-blowing Policy

This includes appropriate monitoring of compliance where appropriate.

- Led by the Head of **Strategic Finance, Audit and Risk**, the Financial and Contracts Rules, and the overall framework, will be reviewed comprehensively every three years. There will also be annual operational reviews, and reminders to senior officers of the existence and importance of the rules and framework. Any changes necessary will be reported to the Executive and put to the Assembly for adoption
- Led by the **Assistant Chief Executive (Democracy & Partnerships)** ~~Head of Democratic Support~~, this Code of Corporate Governance will be reviewed annually and reported to the Executive and subsequently put to the Assembly for revision as necessary.

April 06 ~~April 05~~

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