



LOCAL CODE OF GOVERNANCE

Finance

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Document Control

Policy title	Local Code of Governance
Policy owner	Head of Audit & Management Assurance
Effective from date	1 st April 2019
Current version	V2
Approval body	Audit & Governance Committee
Approval date	10 October 2019
Review frequency	Annually on 1 April
Next review due	April 2020

Revision History

Date	Version	Significant Changes
February 2019	v1	New Policy created
October 2019	V2.2	Update to reflect the rapid changes in the new BCP Council and add in Section 6

Minor Amendments and Editing Log

The Head of Audit & Management Assurance has primary responsibility for maintaining the Local Code of Governance. It is recognised there may be a need to clarify or update certain elements of the Local Code of Governance from time to time; this may require minor amendments or editing. Minor amendments and editing changes will be made by the Head of Audit & Management Assurance, and these will be logged in the table below. The Local Code of Governance is presented to Audit & Governance Committee annually.

Date	Description of amendments or editing	Page
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Consultees

The following individuals/groups have been consulted during the original development of this policy:

Name	Organisation	Date Consulted
BCP Programme Managers, Julian Osgathorpe	Bournemouth and Poole Councils	Jan 2019
Jane Portman, Bill Cotton	Bournemouth Borough Council	Jan 2019
Andrew Flockhart, Kate Ryan, Jan Thurgood	Borough of Poole	Jan 2019

The following individuals/groups have been consulted during the revised version of the policy

Name	Organisation	Date Consulted
Bridget West, Head of Insight, Policy & Performance	BCP Council	Sept 2019

Corporate Management Board	BCP Council	Sept/Oct 2019
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Equalities Impact Assessment

Assessment date	29 th January 2019. The Local Code of Governance is a signposting tool which directs people to relevant policies, each of which should have already had an EIA or EIA screening to carried out. As such, this overarching document does not require a separate full EIA.
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1. Introduction

- 1.1 The Local Code of Governance demonstrates BCP Council's commitment to the highest standards of corporate governance. The Local Code sets out its governance arrangements in relation to the seven best practice principles in the CIPFA/IFAC 'International Framework: Good Governance in the Public Sector' (see Section 4) and as required by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework.

2. What is Corporate Governance?

- 2.1 Corporate governance comprises of the arrangements put in place to ensure that the intended outcomes for service users and stakeholders are defined and achieved, while acting in the public interest at all times. It is about doing the right things, in the right way, for the right people, in a timely, inclusive, open, transparent, honest and accountable manner.

3. Responsibilities for Corporate Governance

- 3.1 All Members and officers have a responsibility for upholding the principles of good governance. It is a key responsibility for the Leader of the Council and the Chief Executive.
- 3.2 The Statutory Officers Group, comprising of the Monitoring Officer, the Chief Financial Officer and the Chief Executive are responsible for the development, delivery and review of robust corporate governance arrangements.
- 3.3 The Audit and Governance Committee has responsibility for monitoring and reviewing the Council's corporate governance arrangements.
- 3.4 The Chief Auditor produces an Annual Report to Audit and Governance Committee on the adequacy and effectiveness of the Council's systems of internal control.
- 3.5 The Annual Governance Statement is produced following a review of the effectiveness of the Council's corporate governance arrangements, as outlined in this Code. Any significant governance weaknesses are highlighted, and an action plan produced to address these issues, and monitored by the Audit and Governance Committee.

4 The Governance Framework

- 4.1 The diagram below, taken from the International Framework: Good Governance in the Public Sector, illustrates the various principles of good governance in the public sector and how they relate to each other.

“Achieving the Intended Outcomes while acting in the Public Interest at all times”



- 4.2 BCP Council’s Local Code of Governance is based on this framework, and the table in section 6 demonstrates the Council’s governance arrangements in relation to it.

5 How BCP meets the Principles of Good Governance

BCP has implemented new governance arrangements across the organisation. However, there is still reliance on legacy and/or hybrid arrangements in some areas whilst BCP considers and develops new policies and procedures. These are shown with an asterisk (*) in the table below.

Principles of Good Governance	How we meet these Principles
(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The Constitution
	Member Code of Conduct
	Member-Member, and Member-Officer Protocols
	Decision making process for Committees and Members
	Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)
	Standards Committee
	Councillor Development Framework
	Audit and Governance Committee
	Overview and Scrutiny Committee/s
	Member Registers of Interests and Registers of Gifts and Hospitality
	Member induction programmes and training plans
	Financial Regulations
	Statutory officers (including Monitoring Officer and Chief Financial Officer) fulfil duties in line with regulatory requirements
	Officer Code of Conduct *
	Officer induction programmes
	Mandatory learning including equality and fraud
	Officer Registers of Interests and Registers of Gifts and Hospitality *
	Scheme of Delegations to Officers *
	Decision making process for Officers *
	Record of Officer decisions *
	Record of Chief Executive's Delegated Authority decisions
	Officer Performance Development framework, including annual reviews *
	Corporate Complaints Procedure
	Equality and Diversity Policy and Governance Framework
	Recruitment and Selection Policy
	Behaviours Framework (under development)
	Counter Theft, Fraud and Corruption Policy
	Whistleblowing Policy
	Compliance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption
	Serious and organised crime checklist
	Procurement Strategy *
Contractual arrangements *	
Partnership Registers *	
Partnership Agreements *	
Investment and Change Governance Framework	
Corporate Values	

	Staff Surveys
	Local Plan Local Development Scheme
	Council People Strategy
	Council Organisational Design (including Operating Model)
	Agreements with subsidiaries, partners, ALMO and external providers *

(B) Ensuring openness and comprehensive stakeholder engagement	Multi-channel public communications, including: email newsletters, BCP website, magazines, Facebook and Twitter
	Local Transparency Code, proactive publication and reporting - IG
	Online Council Tax information
	Corporate Strategy & Delivery Plan
	Decision making process for Committees and Members
	Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)
	Record of Officer decisions *
	Record of Chief Executive's Delegated Authority decisions
	Corporate Complaints Procedure
	Social Care Statutory Complaints Procedure *
	Public/residential surveys, including online
	Key national data. e.g. the Census and Indices of Deprivation
	Joint Strategic Needs Assessment
	Research and Consultation Framework *
	<ul style="list-style-type: none"> - Public and officer consultations - Staff surveys - Local Forums
	Internal Communications Strategy (awaiting sign off)
	Media Relations Protocol
	Branding Guidelines
	Social Media Policy (in draft)
	Partnership Registers *
Partnership Agreements *	
Neighbourhood Plans *	
Statement of Community Involvement	

(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	Corporate Strategy & Delivery Plan
	Medium Term Financial Plan process
	Performance Monitoring Framework *
	<ul style="list-style-type: none"> - Service business and action plans * - Service performance monitoring * - Corporate performance monitoring *
	Joint Strategic Needs Assessment
	Research and Consultation Framework *
	<ul style="list-style-type: none"> - Public and officer consultations - Staff surveys - Local Forums
	Risk Management Framework *
	Capital Investment Strategy (Non-Treasury) 2019-2022
	Procurement Strategy *
	Investment Strategy *
	Decision making process for Committees and Members
	Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)
	Record of Officer decisions *
	Record of Chief Executive's Delegated Authority decisions
	Equality and Diversity Policy and Governance Framework
	Corporate Management Board
	Capital Programme Board
	Transformation Programme Board
	Operational governance groups: <ul style="list-style-type: none"> - Transport Advisory Group - Asset Steering Group - Asset Investment Group - Education Capital Group - Phase 2 Harmonisation Projects - Phase 3 Workstreams
	Local Transport Plan*
	Local Plan *
	Contractual arrangements *
	Partnership Registers *
	Partnership Agreements *

(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	Decision making process for Committees and Members
	Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)
	Record of Officer decisions *
	Record of Chief Executive's Delegated Authority decisions
	Performance Monitoring Framework *
	<ul style="list-style-type: none"> - Service business and action plans - Service performance monitoring - Corporate performance monitoring
	Medium Term Financial Plan process
	Risk Management Framework *
	Corporate Strategy & Delivery Plan
	Benchmarking and research, including CFO Insights VFM Tool
	Capital Investment Strategy (Non-Treasury) 2019-2022
	Key Facts 2019 – State of Bournemouth, Christchurch and Poole Report
	Youth Justice Plan
	Council Safeguarding Strategy
	Pan-Dorset Safeguarding Children Partnership
	Local Government Organisation – Phase 3 Transformation of the Council
	Corporate Parenting Board
Health & Wellbeing Board	

(E) Developing the entity's capacity, including the capability of its leadership and the individuals within it	Performance Monitoring Framework *
	<ul style="list-style-type: none"> - Service business and action plans - Service performance monitoring - Corporate performance monitoring
	Benchmarking and research, including CFO Insights VFM Tool
	People Strategy
	Job descriptions for all employees *
	Roles of Cabinet, individual Cabinet Members and all other Members and Committees defined
	Roles of statutory officers (Chief Executive, Chief Financial Officer and Monitoring Officer) and other senior officers defined
	Member-Member, and Member-Officer Protocols
	Scheme of Delegations to Officers*
	The Constitution
	Member induction programmes and training plans
	Officer induction programmes
	Mandatory learning including equality and fraud
	Officer Performance Development framework, including annual reviews*
	Standards Committee
	Councillor Development Framework
	Public/residential surveys, including online
	Key national data. e.g. the Census and Indices of Deprivation
	Joint Strategic Needs Assessment
	Research and Consultation Framework*
	<ul style="list-style-type: none"> - Public and officer consultations - Staff surveys - Local Forums
	Corporate and HR policies and procedures, including those to support health and wellbeing*
	ICT Framework*
	Leadership development programme*
	Peer Reviews and Inspections
	Tier 3 Management Structure
	People Strategy
	Pay and Reward including Terms and Conditions
	Workforce Strategy for Children's Services

(F) Managing risks and performance through robust internal control and strong public financial management	Risk Management Framework*
	Performance Monitoring Framework
	<ul style="list-style-type: none"> - Service business and action plans - Service performance monitoring - Corporate performance monitoring
	Corporate Complaints Procedure
	Benchmarking and research, including CFO Insights VFM Tool
	Overview and Scrutiny Committee/s
	Internal Audit Charter operating to Public Sector Internal Audit Standards
	Risk-Based Annual Audit Plan and Key Assurance Work
	Chief Auditors Annual Report
	Counter Theft, Fraud and Corruption Policy
	Whistleblowing Policy
	Compliance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption
	Annual Governance Statement
	Audit and Governance Committee
	Information Governance Accountability Framework
	Medium Term Financial Plan process
	Financial Regulations
	Corporate Strategy & Delivery Plan
	Treasury Management Strategy
	Decision making process for Committees and Members
	Committee forward plans, agendas, reports (including legal, financial, equalities and risk impact) and minutes (showing decisions taken and declaration of interests)
	Record of Officer decisions*
	Record of Chief Executive's Delegated Authority decisions
	Corporate and HR policies and procedures*
	Health & Safety Policy*
	Fire Safety Policy*
	Emergency planning and resilience and arrangements (corporate)*

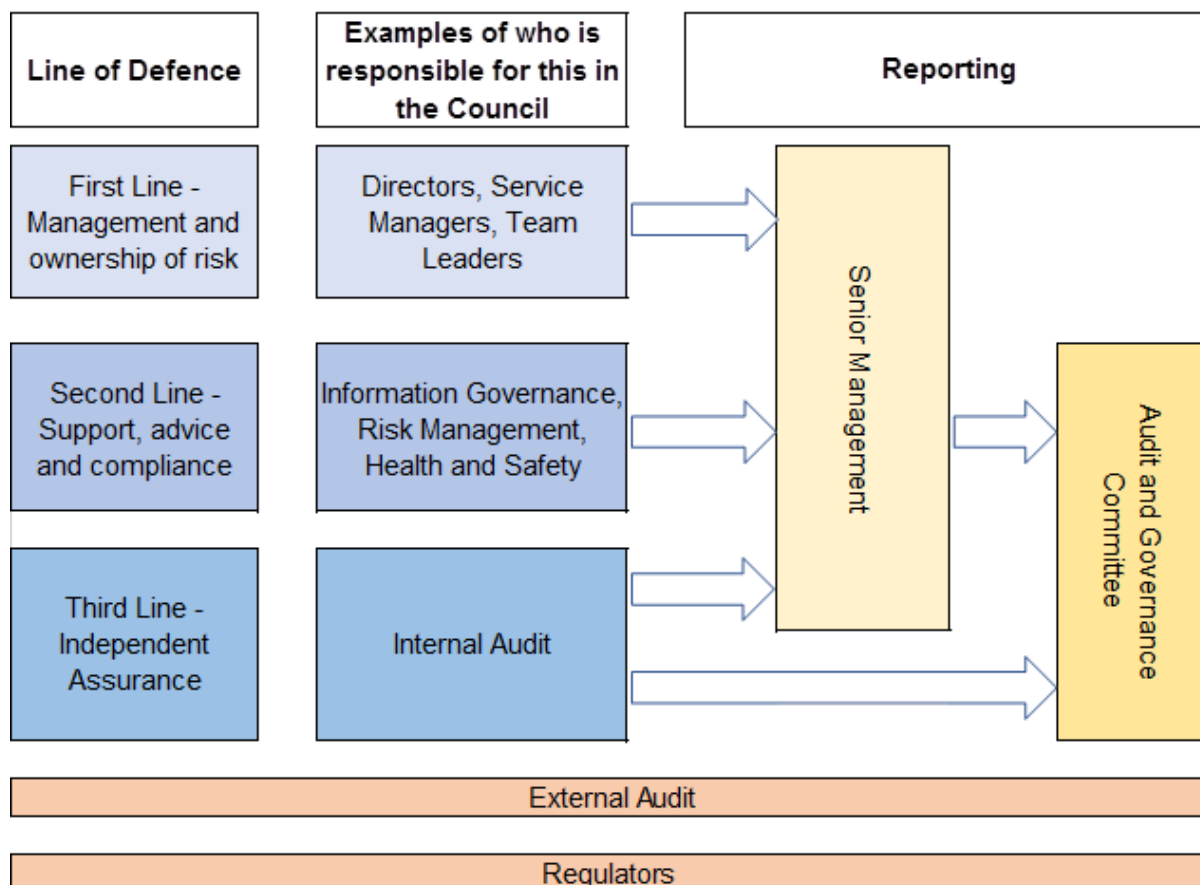
(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Multi-channel public communications, including: email newsletters, BCP website, magazines, Facebook and Twitter
	Local Transparency Code, proactive publication and reporting
	Annual Financial Statements
	External audit reports: Audit Findings Report, Annual Audit Letter and Certification Report
	External reviews, including Ofsted and Peer Reviews
	Annual Governance Statement
	Internal Audit Function operating to Public Sector Internal Audit Standards
	Risk-Based Annual Audit Plan and Key Assurance Work
	Internal Audit recommendation implementation reported to Audit and Governance Committee
	Compliance with CIPFA's Statement on the Role of the Head of Internal Audit
	Partnership Registers*
	Partnership Agreements*

6 How BCP ensures Good Governance is delivered in practice

6.1 The Three Lines of Defence model is widely recognised across both the public and private sectors as a best practice approach to implementing effective risk management and corporate governance. It is designed to provide organisations with resilience in these areas, with each Line of Defence complementing the others, as summarised below:

6.2 BCP Council will adopt the following model

The Three Lines of Defence Model (Best Practice)



First Line: The First Line of Defence is responsible for the implementation of risk management and governance processes within the organisation. In BCP this is the responsibility of Management of all levels across all Services in the organisation.

Second Line: The Second Line of Defence is responsible for the provision of advice, guidance and policy in support of risk management and governance processes. This Line is also responsible for monitoring compliance with risk and governance requirements by services in the First Line. Typically, this role is fulfilled by corporate functions with defined governance and policy remits, for example:

- Emergency Planning
- Health and Safety
- Human Resources
- Information Governance
- Procurement

- Risk Management

Where there is no clear corporate function with responsibility for compliance, Corporate Management Board will pragmatically determine the need for this and who will act as the second line of defence in a proportionate response to the scope and remit of the function.

Third Line: The Third Line of Defence is responsible for providing independent assurance to Senior Management and Members on the effectiveness of the first two lines. In BCP this is the responsibility of the Internal Audit Service.