

# Code of Corporate Governance

## Introduction

Our Code of Corporate Governance ('the Code') sets out the Council's governance standards. These standards ensure the Council is doing the right things, in the right way, in a timely, inclusive, open, effective, honest and accountable manner.

## The Council's Corporate Governance Standards

The Code is based on the seven governance principles set out in the CIPFA/SOLACE guidance 'Delivering Good Governance in Local Government' (2016)<sup>1</sup>.

These principles and their sub principles are set out below, along with a series of commitments which describe the Council's approach to delivering against the principles.

## Meeting the commitments set out in the Code

Each year, the Council publishes an Annual Governance Statement (AGS) to accompany the Annual Accounts.

The AGS provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective and sets out key examples of how the Council has met the governance commitments set out in the Code.

## Torbay Council's Code of Corporate Governance

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

#### Behaving with Integrity

We aim to:

- Put into practice our organisational values and ensure they are effective.
- Exercise leadership by ensuring Members and Officers behave in ways that exemplify high standards of conduct and effective governance.
- Make sure our Members and Officers are encouraged, supported, and protected to speak up if they encounter behaviours which do not match our values.

#### Demonstrating Strong Commitment to Ethical Values

We aim to:

- Support the Standards Committee to champion high standards of ethical governance from elected members.

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<sup>1</sup> CIPFA is the Chartered Institute of Public Finance and Accountancy, and SOLACE is the Society of Local Authority Chief Executives.

Maintain robust policies and procedures so that ethical values are put into practice, including separate Codes of Conduct for Members and Officers and a Member/Officer Relations Protocol. Operate ethical procurement policies to ensure that commitment to our values and integrity is delivered by external suppliers delivering services on our behalf.

## **Respecting the Rule of Law**

We aim to:

- Use legal powers to the full benefit of the citizens and communities in the area.
- Appoint Statutory Officers who have the skills, resources and support necessary to perform effectively in their roles and support them to fulfil their responsibilities within legislative and regulatory requirements.
- Ensure that all Members and Officers appointed to undertake roles as Directors on either Company or Charity Boards have access to appropriate guidance and support to ensure that they undertake their duties within the context of the relevant Acts that govern such bodies.

## **B. Ensuring openness and comprehensive stakeholder engagement**

### **Ensuring Openness**

We aim to:

- Develop and clearly communicate the Council's purpose and vision and its intended outcome for citizens and service users.
- Be rigorous and transparent about how decisions are taken and listen and act on the outcome of constructive scrutiny.
- Take an active and planned approach to dialogue with, and be accountable to, the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning.

### **Engaging Comprehensively with Institutional Stakeholders**

We aim to:

- Ensure relationships between the Council and its partners are clear so that each knows what to expect of the other.
- Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
- Ensure effective monitoring of the performance and outcomes delivered by our arms-length companies.

## Engaging with Individual Citizens and Service Users Effectively

We aim to:

- Deliver against our Community Engagement and Empowerment Strategy, including maintaining effective and accessible channels for dialogue and a commitment to sharing outcomes of consultations and other community engagement mechanisms with the public and other stakeholders.
- Proactively engage with Torbay's different communities and identify groups to inform the development and delivery of our services.
- Maintain an effective complaints and compliments framework, so that we can identify where improvements in service delivery are needed and learn effectively from the complaints that we have received.

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

### Defining Outcomes

We aim to:

- Maintain a Community and Corporate Plan and Council Business Plan which sets out the priorities which the Council will focus on to deliver its ambition for Torbay.
- Put our Community and Corporate Plan at the heart of our budgeting, business planning and service planning.
- Maintain a Medium Term Financial Plan which sets out financial assumptions and provides a set of goals for financial decision making.

### Sustainable Economic, Social and Environmental Benefits

We aim to:

- Assess and address the economic, social, equality and environmental implications of our decisions.
- Ensure that Officers are clear about their role in meeting the Public Sector Equality Duty, including incorporating our Corporate Equality Objectives into service planning.
- Maintain a Council-wide focus on tackling the social determinants of health inequalities.

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

### Determining Interventions

We aim to:

- Ensure effective leadership throughout the Council and be clear about executive and non-executive functions, levels of delegation, and the roles and responsibilities of the scrutiny function.
- Ensure that decision makers receive accurate, relevant and timely performance information and intelligence to support them with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks informing efficient service delivery.
- Commit to seeking continuous feedback from residents and those who use our services, both in planning service changes and improvements.

### Planning Interventions

We aim to:

- Plan our activity at a strategic level through our budget and business planning cycle, in consultation with internal and external stakeholders, to ensure services are delivered efficiently and effectively across the organisation.
- Ensure consistent and effective service planning across the organisation.
- Establish appropriate performance indicators to measure the performance of services and projects, in order to continually improve effective service delivery arrangements.

### Optimising Achievement of Intended Outcomes

We aim to:

- Ensure that the Council makes best use of resources and that taxpayers and service users receive excellent value for money.
- Embed social value into procurement and commissioning and integrate monitoring of these objectives with contract and performance management procedures.

## **E. Developing the organisation's capacity, including the capability of its leadership and the individuals within it**

### Developing the Organisation's Capacity

We aim to:

- Make best use of human resources by taking an active and planned approach to meet our responsibility to staff and members, including making sure they

have the skills, knowledge, experience and resources they need to perform well in their roles.

- Embed benchmarking within our business and service planning to help allocate resources to meet defined outcomes effectively and efficiently.

## **Developing the Capability of the Organisation's Leadership and Other Individuals**

We aim to:

- Ensure that a constructive working relationship exists between Council Members and Officers and that the responsibilities of Members and Officers are understood and carried out to a high standard.
- Develop the capability of all Members and those Officers with governance responsibilities and evaluate their performance, as individuals and as a group.
- Encourage new talent for membership of the Council so that best use can be made of individual's skills and resources in balancing continuity and renewal.

## **F. Managing risks and performance through robust internal control and strong public financial management**

### **Managing Risk**

We aim to:

- Ensure that an effective risk management framework is in place.

### **Managing Performance**

We aim to:

- Ensure that an effective performance management framework is in place.
- Have good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.
- Exercise leadership through a robust scrutiny function, which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountable relationships.

### **Robust Internal Control**

We aim to:

- Maintain an Audit Committee which oversees the effectiveness of governance and risk management arrangements, internal systems of control, and anti-fraud and anti-corruption arrangements.
- Report to Audit Committee our internal auditor's findings into the overall adequacy and effectiveness of the framework of governance, risk management

and control; and the outcomes of the work of the external auditor.

## Managing Data

We aim to:

- Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
- Ensure effective arrangements are in place and operating effectively when sharing data with other bodies.
- Review and audit regularly the quality and accuracy of data used in decision making and performance management.

## Strong Public Financial Management

We aim to:

- Maintain an approach to financial management that supports both long-term achievement of objectives, and shorter term financial and operational performance, whilst ensuring value for money.
- Ensure that appropriate and timely advice is given on all financial matters, required financial records and accounts are kept, and oversee an effective system of internal financial control.
- Follow CIPFA's Prudential Code and Treasury Management Code of Practice which set out the risk framework through which the Council manages its balance sheet and makes capital investment decisions, and statutory guidance on best value standards and interventions.

## **G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

### Implementing Good Practice in Transparency

We aim to:

- Commit to publishing information, including reports, in a timely manner which is accessible to residents and other stakeholders.
- Ensure that our website is set out in a clear and easily accessible way, using plain language and also that it is compliant with web content accessibility standards.
- Follow the Local Government Transparency Code, which includes requirements and recommendations for local authorities to publish certain types of data.

## Implementing Good Practices in Reporting

We aim to:

- Report at least annually on performance, value for money and stewardship of resources in a timely and understandable way.
- Publish an Annual Governance Statement which provides evidence of good governance and includes an action plan for improvement.
- Publish performance information in a consistent and timely way which allows for comparison with other, similar organisations.

## Assurance and Effective Accountability

We aim to:

- Positively engage with external challenge, including from peer authorities, as well as internal and external review and audit, and inspections from regulatory bodies, giving thorough consideration to any arising recommendations.
- Ensure that implementation of, or response to improvement recommendations made by Internal and External Auditors and other external assessors occurs within due dates.
- Follow the prevailing internal audit standards which apply to local government, including a commitment to develop audit plans which are designed to invite comment from management and the Audit Committee.