



# Code of Corporate Governance 2022/23



# **Eastleigh Borough Council - Code of Corporate Governance 2022/23**

**Review Date: June 2022**

## **INTRODUCTION**

Corporate Governance is the term used to describe the system by which Local Authorities direct and control their functions and relate to their communities. Governance is about how the Council ensures it has the right processes and values by which it operates and how they engage with and held accountable to their communities and stakeholders.

Local government organisations are accountable not only for how much they spend, but also for how they use their resources. In addition, they have an overarching responsibility to serve the public interest - adhering to the requirements of legislation and government policies.

It is essential that Councils can demonstrate the appropriateness of their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

We are committed to demonstrating that we have the necessary corporate governance arrangements in place to perform effectively. We follow guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) 'Delivering Good Governance in Local Government (2016)'.

The guidance defines the seven core principles, each supported by sub-principles that should underpin the governance framework of a local authority.

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

## **BENEFITS OF A CODE OF GOVERNANCE**

The documents and arrangements set out in the framework within this code demonstrate how we continually seek to ensure we always remain well governed and seek to achieve our objectives whilst acting in the public interest. We have a Constitution and associated governance documents and arrangements in place. The purpose of this Local Code of Governance is to set out the main principles of good governance that we are committed to and highlighting the key policies and processes that are in place to ensure these principles are followed.

## **ANNUAL REVIEW AND REPORTING**

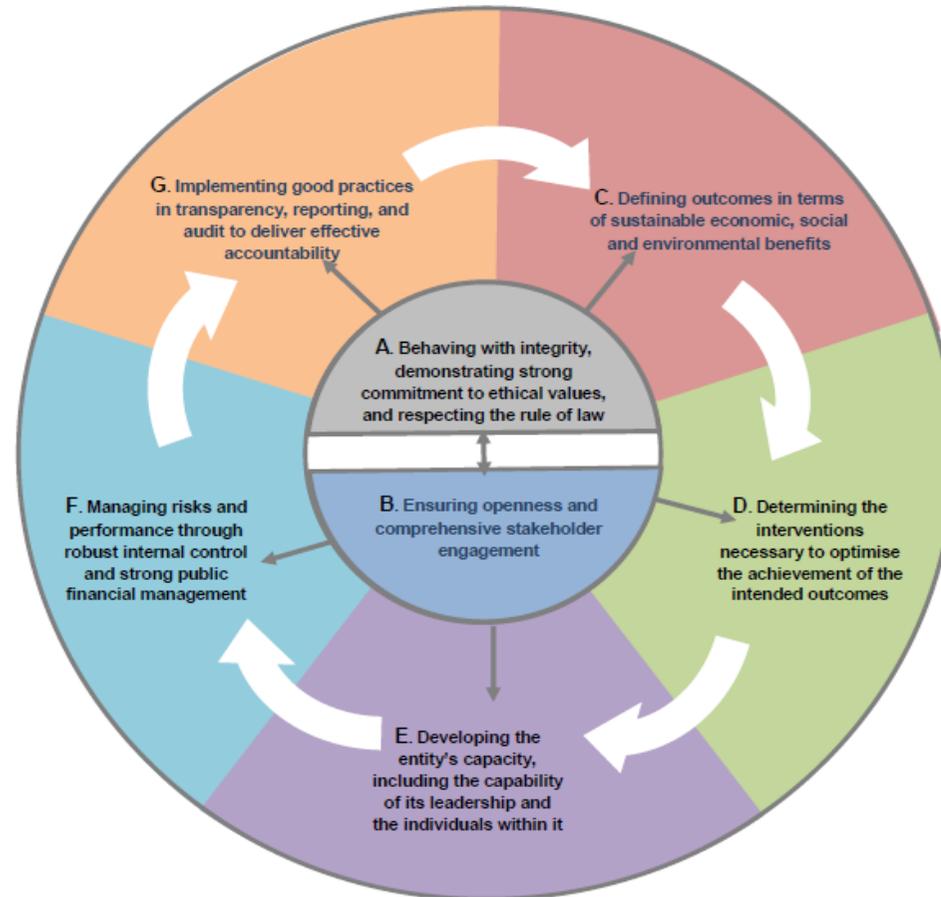
In order to comply with the principles of good governance we must undertake to ensure that our systems and processes are continually monitored and reviewed and are kept up to date.

Each year the Council will carry out a review to provide assurance that governance arrangements are adequate and operating effectively, or to identify action that is planned to ensure effective governance in the future.

The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Leader and Chief Executive. It will be submitted to the Audit and Resources for consideration and approval.

The Annual Governance Statement will accompany the Council's Statutory Statement of Accounts, as required by the Accounts and Audit Regulations.

The Council aims to achieve good standards of governance by adhering to the seven core principles below, which form the basis of the Council's Code of Corporate Governance:



The following pages provide a summary of actions and behaviours taken by the Council in relation to each of these seven core principles and associated sub principles.

<b>Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law</b>			
<b>Supporting Principles</b>	<b>To achieve this, the Council will:</b>	<b>This is evidenced by:</b>	<b>Priorities for 2022/23:</b>
<ul style="list-style-type: none"> <li>• Behaving with integrity</li> <li>• Demonstrating strong commitment to ethical values</li> <li>• Respecting the rule of law</li> <li>• Comply with legislation and all relevant professional standards</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain formal codes of conduct defining standards of behaviour expected of both councillors and Officers Publicise Gifts and Hospitality Guidelines</li> <li>• Maintain a framework which addresses the risks of fraud and corruption including an Anti-Fraud &amp; Corruption Strategy and Policy and a Whistleblowing policy.</li> <li>• Maintain effective systems to protect the rights of staff, including whistleblowing policies which are accessible and regularly communicated</li> <li>• Maintain a register of interests</li> <li>• Maintain arrangements to investigate complaints against councillors and officers including alleged misconduct</li> <li>• Maintain effective and accessible arrangements for dealing with complaints</li> <li>• The Council operates within the legal framework for local councils complying with its statutory duties and making the most of its powers to meet the needs of the Borough and its residents.</li> <li>• The Monitoring officer is responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.</li> <li>• The Council ensures that statutory officers have the skills, resources and support necessary to perform effectively in their roles.</li> </ul>	<ul style="list-style-type: none"> <li>• Codes of conduct</li> <li>• People Strategy</li> <li>• Council Meeting minutes</li> <li>• Anti-Fraud &amp; Corruption Strategy</li> <li>• Anti-Fraud &amp; Corruption Policy</li> <li>• Whistleblowing Policy</li> <li>• Internal Audit reports</li> <li>• Register of Interests</li> <li>• Register of Gifts &amp; Hospitality</li> <li>• Complaints Policy &amp; Procedure</li> <li>• Constitution</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and continually improve our complaints procedure</li> <li>• Review of Whistleblowing Policy</li> <li>• Preparation for new Environment Act Legislation</li> <li>• Preparation of Housing Revenue Account Business Plan</li> <li>• Review of People Strategy</li> </ul>

<b>Principle B – Ensuring openness and comprehensive stakeholder engagement:</b>			
<b>Supporting Principles</b>	<b>To achieve this, the Council will:</b>	<b>This is evidenced by:</b>	<b>Priorities for 2022/23</b>
<ul style="list-style-type: none"> <li>• Openness</li> <li>• Engaging comprehensively with Institutional stakeholders</li> <li>• Engaging with individual citizens and service users effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Seek the views of its stakeholders and respond appropriately</li> <li>• Provide a variety of opportunities for the public to engage effectively with the Council including rights to information, participation and how to complain or comment</li> <li>• Ensure Council meetings are accessible</li> <li>• Publish Agendas, minutes, report packs and a calendar for a full year for Council meetings on our website and a formal notice of each meeting will be displayed at our Council offices</li> <li>• Ensure publication of agendas and minutes</li> <li>• Set a balanced budget</li> <li>• Publish an Annual Statement of Accounts and Annual Auditors report to inform stakeholders of the previous year’s achievements and outcomes.</li> <li>• Encourage and assist citizens to inspect the Statement of Accounts in accordance with regulations</li> <li>• Consult with stakeholders in the planning process</li> </ul>	<ul style="list-style-type: none"> <li>• Public attendance at Council meetings</li> <li>• Constitution</li> <li>• Local Plan</li> <li>• Publication of all council agendas and minutes</li> <li>• Internet, Email &amp; Social Media acceptable usage policy</li> <li>• Public inspection of accounts by our customers</li> <li>• Partnership Agreements</li> <li>• Public speaking in planning committee</li> <li>• Community Consultations</li> <li>• Communications Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership framework</li> <li>• Review hybrid meetings arrangements</li> </ul>

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits			
Supporting Principles	To achieve this, the Council will:	This is evidenced by:	Priorities for 2022/23:
<ul style="list-style-type: none"> <li>Defining outcomes</li> <li>Sustainable economic, social and environmental benefits</li> </ul>	<ul style="list-style-type: none"> <li>Make a clear statement of the Council’s purpose and vision and use it as a basis for all corporate &amp; service planning</li> <li>Publish on the Council’s website the various reports to communicate the Council’s activities and achievements including its financial position and performance</li> <li>Identify and manage risks to the achievement of outcomes</li> <li>The Corporate plan expresses the strategic objectives for the Council over the financial year and beyond. Alongside the objectives are the outcomes to be achieved. This information enables members and the services contributing to the delivery of the plan to be clear about the priorities for the Council.</li> <li>Service Managers will prepare annual Service Plans indicating how they will meet objectives set out within the Corporate Plan and Corporate Action Plan</li> <li>Services will regularly report on key performance indicators (KPIs) through our corporate performance cycle</li> <li>Work through effective partnerships</li> <li>We identify projects that will cumulatively deliver the strategic outcomes identified.</li> </ul>	<ul style="list-style-type: none"> <li>Our council vision within our Corporate Plan</li> <li>Annual Governance Statement</li> <li>Statement of Accounts</li> <li>External Auditors letter and report</li> <li>Service Plans</li> <li>Corporate Action Plan</li> <li>Local Plan</li> <li>Performance Management framework including regular reporting of key performance indicators</li> <li>Project register &amp; project management methodology</li> <li>Publication of transparency data</li> <li>Climate and Environment Emergency Strategy and Action Plan</li> <li>Evolving Procurement Policy</li> <li>Equality Strategy and Action Plan</li> </ul>	<ul style="list-style-type: none"> <li>Publication of the Annual Governance Statement and update to the Code of Governance</li> <li>Continue to deliver the Climate and Environment Emergency Strategy (including monitoring delivery)</li> <li>Development of the Sustainable Procurement Policy</li> <li>Update Climate and Environmental Emergency Strategy and Action Plan</li> <li>Prepare for new Environment Act legislation</li> </ul>

<b>Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes</b>			
<b>Supporting Principles</b>	<b>To achieve this, the Council will:</b>	<b>This is evidenced by:</b>	<b>Priorities for 2022/23:</b>
<ul style="list-style-type: none"> <li>• Determining Interventions</li> <li>• Planning interventions</li> <li>• Optimising achievement of intended outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Make a clear statement of the Council’s purpose and aims and use this as a basis for corporate and service planning</li> <li>• Ensure budgets are prepared in accordance with organisational objectives and regularly reported upon</li> <li>• Provide senior managers and councillors with timely financial and performance information</li> <li>• Ensure there is a sound risk management framework to support the achievement of the Council’s intended outcomes</li> <li>• Have robust contingency arrangements in place for business continuity and disaster recovery</li> <li>• The Council has a Medium-Term Financial Plan to resource the Council’s aspirations and to assess and plan for any financial risks. The plan is reviewed annually and more frequently during the pandemic.</li> <li>• The Council seeks expertise from outside the authority when it does not have the necessary skills in-house, making use of peer reviews and other mechanisms for ensuring challenge of Council services.</li> <li>• Provide a robust programme of work to continuously improve council processes and the service we provide</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management Framework</li> <li>• Medium Term Financial Plan</li> <li>• Regular financial and performance reporting to Cabinet</li> <li>• Business Continuity Plans</li> <li>• Disaster recovery arrangements and emergency plan</li> <li>• Council strategies &amp; policies</li> <li>• Statutory returns to government</li> <li>• The Council has LGA, SOLACE and CIPFA membership to ensure best practice.</li> <li>• Organisational Development Review Group</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously review our Council policies and strategies</li> <li>• Undertake a series of process improvements as part of continuous improvement</li> <li>• Review of S106 processes</li> <li>• Develop Strategic Improvement Plan for Customer Care</li> </ul>

<b>Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it</b>			
<b>Supporting Principles</b>	<b>To achieve this, the Council will:</b>	<b>This is evidenced by:</b>	<b>Priorities for 2022/23:</b>

<ul style="list-style-type: none"> <li>• Developing the Council's capacity</li> <li>• Developing the capability of the Council's leadership and other individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Set out a clear statement of the respective roles and responsibilities of the Council's Cabinet, Full Council and individual Councillors through the Constitution</li> <li>• Set out a protocol to address the working relationship between the Chief Executive and leader enabling each to fulfil their respective roles</li> <li>• Maintain an effective workforce plan to enhance the strategic allocation of resources and ensure effective succession planning etc.</li> <li>• Maintain officer and councillor induction programmes</li> <li>• Assess the skills required by officers through the appraisal process and address any training gaps to enable roles to be carried out effectively</li> <li>• Develop the capabilities of councillors through training</li> <li>• Regularly review the scheme of delegation and Constitution and update when required</li> <li>• Ensure arrangements are in place to maintain the health and wellbeing of staff</li> <li>• We have developed a People Strategy which includes a corporate mission statement, values and Way We Work Framework</li> </ul>	<ul style="list-style-type: none"> <li>• People Strategy</li> <li>• 1:1 and Quarterly Performance Reviews</li> <li>• Exit interviews</li> <li>• Health and Wellbeing Policy</li> <li>• Effective induction programme for staff and councillors</li> <li>• Constitution</li> <li>• Councillor/officer protocol (Codes of Conduct)</li> <li>• Councillor training and development</li> <li>• Admin Committee</li> <li>• Occupational Health provider</li> <li>• Schemes of delegation for councillors and officers</li> <li>• Staff consultation</li> <li>• Professional qualified staff</li> <li>• Health and Safety Policy</li> <li>• Set of Corporate values</li> <li>• Way we work Framework</li> <li>• Staff recognition &amp; reward programme</li> <li>• Executive Leadership Team away days with Cabinet</li> </ul>	<ul style="list-style-type: none"> <li>• Continually monitor and improve Councillor training and induction</li> </ul>
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Supporting Principles	To achieve this, the Council will:	This is evidenced by:	Priorities for 2022/23:
<ul style="list-style-type: none"> <li>• Managing risk</li> <li>• Managing performance</li> <li>• Robust internal control</li> <li>• Managing data</li> <li>• Strong public financial management</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain an effective Audit and Resources Committee and Policy and Performance Scrutiny function</li> <li>• Ensure robust and integrated risk management arrangements are in place and responsibilities for managing individual risk is clearly allocated</li> <li>• Maintain regular programme of Councillor training</li> <li>• Maintain sound financial procedure rules to ensure consistency and clear financial protocols</li> <li>• Maintain a transparent complaints and feedback procedure</li> <li>• Maintain a risk-based programme of internal audits which are informed by the Council's risk registers</li> <li>• Take account of service/project risks with each report providing an assurance opinion on how risks are being managed</li> <li>• Ensure effective anti-fraud and corruption arrangements are in place</li> <li>• Ensure effective information governance arrangements are in place to support compliance with existing and emerging legislation for data protection</li> <li>• Ensuring financial management supports decision making and provides enough information to support the delivery of the Council's objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reporting to Policy and Performance Scrutiny</li> <li>• Risk Management Policy &amp; Strategy</li> <li>• Administration committee</li> <li>• Statutory Officers</li> <li>• Corporate and service risk registers</li> <li>• Terms of reference within Constitution</li> <li>• Financial Procedure Rules</li> <li>• Contract Procedure Rules</li> <li>• Internal Audit Charter</li> <li>• Regular reporting and provision of information to Audit and Resources Committee including:               <ol style="list-style-type: none"> <li>1. Chief Internal Auditor's annual report</li> <li>2. Individual audit reports</li> <li>3. Regular progress reports on results of internal audit work</li> </ol> </li> <li>• Anti-fraud and Corruption policy &amp; Strategy</li> <li>• Annual Governance Statement</li> <li>• Information governance policies and procedures</li> <li>• Regular financial and performance reporting to the Executive</li> <li>• Medium Term Financial Plan</li> <li>• Quarterly strategic performance and financial</li> </ul>	<ul style="list-style-type: none"> <li>• Create and maintain a data sharing register</li> <li>• Review of Information Governance</li> </ul>

		<ul style="list-style-type: none"> <li>monitoring reports</li> <li>• Monthly budget monitoring reports</li> <li>• Cyber risk training (E-learning)</li> <li>• IT &amp; Social media Policies</li> <li>• RIPA Policy</li> </ul>	
<b>Principle G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>			
<b>Supporting Principles</b>	<b>To achieve this, the Council will:</b>	<b>This is evidenced by:</b>	<b>Priorities for 2022/23:</b>
<ul style="list-style-type: none"> <li>• Implementing good practice in transparency</li> <li>• Implementing good practices in reporting</li> <li>• Assurance and effective accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain an effective scrutiny function which encourages constructive challenge</li> <li>• Maintain an effective Audit and Resources Committee independent of the Cabinet and Scrutiny Committees</li> <li>• Publish all Committee reports on our website unless there is a statutory reason not to do so</li> <li>• Maintain and regularly communicate whistleblowing policies</li> <li>• Ensure performance information is prepared on a consistent and timely basis</li> <li>• Ensure Corporate Governance Group meet regularly and monitor compliance with the Governance Framework and actions detailed within AGS</li> <li>• Maintain an effective Internal Audit function which conforms to the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Statement on the Role of the Head of Internal Audit</li> <li>• Welcome peer reviews and inspection from regulatory bodies and implement recommendations</li> <li>• Produce regular financial and budget monitoring reports for members reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Information Governance Policies and Procedures</li> <li>• Scrutiny Committee</li> <li>• Regular provision of information to Audit and Resources Committee</li> <li>• Corporate Performance Framework</li> <li>• Annual Governance Statement</li> <li>• Internal Audit Charter</li> <li>• Chief Internal Auditor annual report</li> <li>• Individual audit reports</li> <li>• Regular progress reports on results of internal audit work</li> <li>• Internal audit Quality Assurance and Improvement Programme</li> <li>• Monthly financial and performance reporting</li> <li>• Quarterly Executive Summary Reports</li> <li>• Communications Strategy</li> <li>• Accessibility statement</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to monitor GDPR with staff training to reduce data breaches</li> <li>• Actions from previous AGS to be monitored quarterly by Corporate Governance Group</li> <li>• Review outcome of External Assessment of Internal Audit and develop action plan for implementation of any agreed enhancements</li> <li>• Review of Decision Making arrangements and clarity over processes for staff and Councillors</li> </ul>

	<p>on performance, value for money and stewardship of resources</p> <ul style="list-style-type: none"> <li>• Produce regular budget manager reports to ensure senior managers own results</li> <li>• The Council makes sure members of the public have access to information about the workings of the Council. It makes clear what information is routinely published through its Freedom of Information Publication Scheme and responds promptly to requests for information.</li> <li>• Maintain compliance with the local government transparency code and publish all required information in a timely manner</li> <li>• Publish an Annual Report and Statement of Accounts giving information on the authority's vision, strategy, performance, future plans and financial statements.</li> <li>• Maintain an internal audit function with a risk-based audit plan, designed to test regularly that the Council's policies and processes operate in practice and that the Council complies with legislation and good practice.</li> <li>• Compliance and transparency with data protection legislation.</li> </ul>	<ul style="list-style-type: none"> <li>• Freedom of Information requests, Environmental Information Requests and Subject Access Requests</li> <li>• Publication Scheme</li> <li>• Transparency Code</li> <li>• Annual Report and Statement of Accounts</li> <li>• Annual Audit plan</li> <li>• GDPR privacy policies, Record of Processing Activity (ROPA), Retention Schedule, data sharing agreements.</li> </ul>	
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