

## CODE OF CORPORATE GOVERNANCE

### Introduction

1. This Code sets out Carmarthenshire County Council's approach to achieving and maintaining good corporate governance. It follows guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), and also takes account of the Welsh Assembly Government's 'citizen-centred governance principles for Wales'.

2. Carmarthenshire County Council (the Council) is by nature, a complex organisation which affects the lives of all citizens in the area: As well as providing a diverse range of services, it also works with partner organisations who provide other public services. The Council's aims and priorities reflect these responsibilities.

3. The Council sees Corporate Governance as "***doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.***" It comprises the systems and processes, and also the culture and values, by which the Council is directed and controlled and how it accounts to and engages with its citizens.

4. Strong, transparent and responsive governance enables the Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens' confidence, these mechanisms must be sound and be seen to be sound.

The Governance Framework comprises the systems and processes, and cultures and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

### Governance Principles

5. The Council operates through a governance framework that brings together its legislative responsibilities and management processes with six core governance principles based on those developed by the Independent Commission on Good Governance in Public Services in 2004. These are:

- i. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
- ii. Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens;

- iii. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- iv. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk in order to foster innovation;
- v. Developing the capacity and capability of members and officers to be effective; and
- vi. Engaging with local people and other stakeholders to ensure robust public accountability.

6. The Council commits itself to each of these principles. The schedule shows how this will be achieved.

### **Monitoring, Review and Changes**

7. The Council's commitment to good corporate governance includes the application, development and maintenance of this Code. The Leader and Chief Executive are responsible for the regular review of the governance systems and processes that are in place to ensure that they are applied and are effective and meet the aspirations and deliver the requirements of the Code of Governance. The results of this review are contained in an Annual Governance Statement which is reported to the Audit Committee and then published with the Annual Statement of Accounts.

8. The Corporate Governance Group comprising key officers will co-ordinate manage and report on the governance arrangements of the Authority. Where the reviews of the governance arrangements reveal possible gaps or weaknesses, action will be agreed that will ensure improved governance. Agreed action plans emanating from the reviews will be monitored for implementation.

The Group comprises:

- Deputy Leader – Resources
- Deputy Leader – Communities
- Audit Committee Chair (Observer)
- Director of Corporate Services (s.151 Officer)
- Head of Administration & Law (Monitoring Officer)
- Head of Financial Services
- Assistant Chief Executive (Regeneration & Policy)
- Assistant Chief Executive (People Management & Performance)
- Head of Audit, Risk & Procurement
- Audit & Risk Manager

9. Independent sources of assurance concerning the Code's suitability and effectiveness include Internal Audit, External Audit, the work of the Council's Standards Committee and the Scrutiny Function.

10. Any changes that are required to this Code resulting from its review or from changes in legislation or recommended best practice will be submitted to the Audit Committee for approval.

## **SCHEDULE**

### **Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area**

#### ***We will therefore:***

- focus on the diverse needs of citizens and service users and exercise strategic leadership by developing and clearly communicating our purpose, vision and intended outcomes .
- ensure that users receive a high quality of service whether directly, in partnership, or by commissioning,
- ensure that best use is made of resources and that taxpayers and service users receive excellent value for money

#### ***by:***

- developing and promoting our purpose and vision, reviewing them on a regular basis, and considering the implications for the way the authority is run
  - ensuring that our partnerships are underpinned by a common understanding and purpose which is shared by all partners
  - communicating our activities, achievements, financial position and performance
  - promoting equality of opportunity, combating discrimination and harassment and promoting good community relations
- deciding how the quality of service for users is to be measured and making sure that we have the information needed to review quality effectively and regularly
  - having in place effective arrangements to identify and deal with failures in service delivery
- deciding how value for money is to be measured and making sure that we have the information needed to review value for money and performance effectively
- measuring the environmental impact of policies, plans and decisions
- working constructively with partner organisations to deliver improved services

### **Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens.**

#### ***We will therefore:***

- ensure that there is effective leadership throughout the authority and specify clearly the roles and responsibilities of

#### ***by:***

- setting out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually, and the authority's approach towards putting this into

the executive and non-executive functions and also the scrutiny function

➤ ensure that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard

➤ ensure that relationships between the authority, its partners and the public are clear so that each knows what to expect of the other

practice

➤ setting out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers

■ having in place a scheme of delegation and reserve powers within the constitution, which includes a formal schedule of those matters specifically reserved for collective decision of the authority and which takes account of relevant legislation, and by ensuring that it is monitored and updated when required

➤ the Chief Executive being responsible and accountable to the authority for all aspects of operational management

➤ having protocols in place which ensure that the Leader and Chief Executive negotiate and agree their respective roles early in the relationship and which maintain a shared understanding of the roles

➤ a senior officer being responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control

➤ a senior officer being responsible to the authority for ensuring compliance with agreed procedures and all applicable statutes

■ having in place protocols to ensure effective communication between members and officers in their respective roles

■ setting out the terms and conditions for remunerating members and officers and an effective structure for managing the process

■ having in place effective mechanisms to monitor service delivery

■ developing our vision, strategic plans, priorities and targets through robust mechanisms, which include consultation with the local community and other key stakeholders, and by articulating and disseminating them clearly

■ having in place governance arrangements for partnerships which:

- clarify the roles of members both individually and collectively in relation to the partnership and to the authority,
- clearly set out the legal status of the partnership,
- make clear the extent to which representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions

**Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.**

***We will therefore:***

- ensure that members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance

- ensure that organisational values, and particularly the corporate values of equality and sustainability, are put into practice and are effective

***by:***

- requiring the authority's leadership to set a tone for the organisation by creating a climate of openness, support and respect

- defining and communicating through codes of conduct and protocols the standards of conduct and personal behaviour expected of our members and staff, of work between members and staff and between the authority, its partners and the community.
- having in place arrangements which prevent our members and employees being influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders, and appropriate processes to ensure that the arrangements continue to operate in practice

- developing and maintaining shared values, including leadership values, for both the organisation and staff and which reflect public expectations, and by communicating these with members, staff, the community and partners

- designing systems and processes in conformity with appropriate ethical standards, and by monitoring their continuing effectiveness in practice

- maintaining an effective standards committee

- using our shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority

- agreeing values for partnerships against which decision making and actions can be judged, and

which are demonstrated by partners' behaviour both individually and collectively

**Principle 4: Taking informed and transparent decisions, which are subject to effective scrutiny and managing risk in order to foster innovation.**

***We will therefore:***

- be rigorous and transparent about how decisions are taken and listen and act on the outcome of constructive scrutiny
  
- have good – quality information, advice and support to ensure that services are delivered effectively and are what the community wants / needs
  
- ensure that effective risk management is in place
  
- use its legal powers to the full benefit of the citizens and communities in their areas

***by:***

- maintaining an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall
- having in place open and effective mechanisms for documenting evidence for decisions and by recording the criteria, rationale and considerations on which decisions are based
- having in place arrangements to safeguard members and employees against conflicts of interest and effective processes to ensure that they continue to operate in practice
- having in place an effective audit committee whose role is independent of the executive and scrutiny functions
- ensuring that effective, transparent and accessible arrangements are in place for dealing with complaints
- ensuring that those making decisions, whether for the authority or partnerships, are provided with information that is fit for the purpose – relevant, timely and giving clear explanations of technical issues and their implications
- ensuring that proper professional advice is available on matters that have legal or financial implications and recorded well in advance of decision
- embedding risk management into the culture of the authority, where members and managers at all levels recognising that risk management is part of their jobs
- maintaining effective arrangements for whistle-blowing which are easily accessible to officers, staff and all those contracting with or appointed by the authority.
- actively recognising the limits of lawful activity due to, for example, the ultra vires doctrine, but also striving to utilise our statutory powers to the full benefit of our communities
- recognising the limits of lawful action and observing both the specific requirements of legislation and the general responsibilities placed on authorities by public law

- observing all specific legislative requirements placed upon the authority, as well as the requirements of general law, and in particular, by integrating the key principles of good administrative law – rationality, legality and natural justice – into our procedures and decision making processes

**Principle 5: Developing the capacity and capability of members and officers to be effective.**

***We will therefore:***

- ensure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles
  
- develop the capability of people with governance responsibilities and evaluate their performance, as individuals and as a group.
  
- encourage new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal

***by:***

- providing induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis
- the statutory officers having the skills, resources and support necessary to perform effectively and by disseminating a clear understanding of their roles throughout the authority
- assessing the skills required by members and officers and committing the authority to develop these skills to enable roles to be carried out effectively
- developing skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
  - ensuring that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and by agreeing an action plan which might, for example, aim to address any training or development needs
- having in place effective arrangements in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority
- ensuring that career structures are in place for members and officers to encourage participation and development

**Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability**

***We will therefore:***

- exercise leadership through a robust scrutiny function which

***by:***

- making clear throughout all the authority and to all staff and the community to whom the

- effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships
- take an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning
    - ensuring that clear channels of communication are in place with all sections of the community and other stakeholders, and by having in place monitoring arrangements to ensure that they operate effectively
    - holding meetings in public unless there are good reasons for confidentiality
    - ensuring that arrangements are in place to enable the authority to engage with all sections of the community effectively, that these recognise that different sections of the community have different priorities, and by establishing explicit processes for dealing with these competing demands
    - establishing a clear policy on the types of issues we will meaningfully consult on or engage with the public and service users about, including a feedback mechanism to demonstrate what has changed as a result
    - publishing an annual improvement plan giving information on the authority's vision, strategy, plans and financial statements as well as information about outcomes, achievements and the satisfaction of service users in the previous period
    - ensuring that the authority as a whole is open and accessible to the community, service users and our staff, and that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so
  - make best use of human resources by taking an active and planned approach to meet responsibility to staff
    - developing and maintaining a clear policy on how staff and their representatives are consulted and involved in decision making
- authority is accountable and for what
- considering those institutional stakeholders to whom the authority is accountable and assessing the effectiveness of the relationships and any changes required
  - producing an annual report on the activity of the scrutiny function