

Code of Corporate Governance

CONTENTS

PAGE

| | |
|--|----------|
| Commitment to good governance | 2 |
| Good governance principles | 2 |
| Supporting governance documents | 4 |
| Governance review | 5 |
| Roles and responsibilities | 6 |
| Glossary | 7 |
| | |
| <u>Annexes</u> | |
| A Supporting governance documents | 9 |
| B Governance document custodians | 10 |
| C Governance review process | 11 |
| D Governance Panel terms of reference | 12 |

COMMITMENT TO GOOD GOVERNANCE

- 1 The Corporate Strategy, 'Confident in Our Future' sets out the council's overall purpose to ensure good quality public services for the residents of Surrey so they remain healthy, safe and confident about the future.
- 2 Good corporate governance underpins confidence in public services and should be transparent to all stakeholders. The council is committed to demonstrating it has sound corporate governance and this Code of Corporate Governance sets out the way the council meets that commitment. This in turn promotes adherence to the council's values that guide the behaviour of all officers and Members:



- 3 Corporate governance is the manner through which the council directs and controls its functions and relates to its communities. A robust governance code provides assurance that Surrey is meeting best practice in protecting its assets and serving the community.
- 4 The council must review at least annually the effectiveness of its governance arrangements and produce an Annual Governance Statement (AGS), which recognises and records the governance framework and environment. The AGS must be signed by the Chief Executive and the Leader of the Council and be included within the Statement of Accounts, as required by the CIPFA / SOLACE framework, the Statement of Recommended Practice (SORP) 2007 and the Accounts and Audit Regulations (2011).
- 5 The Code of Corporate Governance sets out the mechanisms for monitoring and reviewing the corporate governance arrangements, which enables the council to identify good governance practice and also areas for improvement.

GOOD GOVERNANCE PRINCIPLES

Principles of Public Life

- 6 The council has made a commitment to ensuring that good governance is in place and that it is serving the local community in accordance with the seven principles of public life as defined by the Nolan Committee in 1994. These principles apply to everyone working in the public services and should be incorporated into all codes of conduct and behaviour to ensure residents and service users receive a high quality service.
- 7 The principles are as follows:
 - **Selflessness**
Officers and members should act solely in terms of the public interest. They should not act in such a way in which to gain financial or other benefits for themselves, their family or their friends.
 - **Integrity**
Officers and members should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

- **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, officers and members should make choices on merit.

- **Accountability**

Officers and members are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their role.

- **Openness**

Officers and members should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

- **Honesty**

Officers and members have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the people of Surrey.

- **Leadership**

Officers and members should promote and support the principles by leadership and example.

Core Governance Principles

- 8 The council has adopted six core governance principles, which ensure good governance, compliance with the principles of public life and support the achievement of the Corporate Strategy.

| | Core Governance Principle | Corporate Strategy strand |
|---|--|---------------------------|
| 1 | <p>Surrey County Council will focus on its purpose and will implement a vision for both Surrey and its local communities to achieve the intended outcomes for the community.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> • Continuously developing and clearly communicating its purpose and vision; • Ensuring users receive a high quality of service; and • Making best use of resources. | Quality |
| 2 | <p>The council's members and officers will work together to achieve a common purpose with clearly defined functions and roles.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> • Ensuring there is a constructive working relationship between members and officers; • Ensuring responsibilities of members and officers are carried out to a high standard; and • Having clear relationships between the council, its partners and the public. | Partnerships |
| 3 | <p>Surrey County Council will promote values and demonstrate good governance by upholding high standards of conduct and behaviour.</p> <p>It will meet this by:</p> | People |

| | | |
|---|--|-------------|
| | <ul style="list-style-type: none"> • Requiring members and officers to maintain high standards of conduct; and • Continuing to ensure that its values are promoted. | |
| 4 | <p>Surrey County Council will take informed and transparent decisions that promote value for money and are subject to effective scrutiny and risk management.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> • Promoting decision making that is rigorous and transparent; • Having good quality information, advice and support; • Ensuring that effective risk management and performance management systems are in place; and • Using its legal powers to the full benefit of residents and communities. | Stewardship |
| 5 | <p>Surrey County Council will seek to develop the capacity and capability of members and officers to be effective.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> • Aiming to ensure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles; • Engaging effectively with all sections of the community; and • Making best use of human resources through consulting and involving staff in decision-making. | Value |
| 6 | <p>Surrey County Council will engage with Borough, District and Parish Councils, residents associations and other stakeholders as appropriate to promote robust public accountability.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> • Promoting leadership through a robust scrutiny function; • Involving local people, partners, business and other stakeholders in the early development of policy; and • Taking an active and planned approach to dialogue with and accountability to the public. | Residents |

SUPPORTING GOVERNANCE DOCUMENTS

- 9 The Code of Corporate Governance contains 32 council policies and processes that are of key importance in maintaining good governance, supporting the achievement of the Corporate Strategy and underpin compliance with the core governance principles. The documents are shown at Annex A against the six Corporate Strategy strands.
- 10 Responsibility for each governance document ultimately rests with the Chief Executive or one of the strategic directors, aside from statutory functions that fall within the personal responsibility of the Section 151 Officer or the Monitoring Officer. Cabinet Members must also demonstrate ownership within their individual portfolios.
- 11 Below those officers and members, the Code of Corporate Governance identifies, where appropriate, those officers who have a material input and control over governance documents. These officers are referred to as Policy Custodians and they are shown in Annex B.

GOVERNANCE REVIEW

12 The annual review of governance assesses the level of compliance with each of the core governance principles. A flowchart showing the process is shown at Annex C. The review consists of a number of parts as follows.

PART 1 – CUSTODIAN ASSURANCE

13 Policy Custodians are required to complete an annual Custodian Assurance Statement. A summary report is presented to the Governance Panel, which makes recommendations on the policies to be included in the annual Control Risk Self Assessment (CRSA) exercise outlined below.

PART 2 – POLICY COMPLIANCE (CRSA) AND REPORT ON INTERNAL CONTROL

14 Following agreement by the Governance Panel on the policies to be tested, questionnaires are sent out by the Internal Audit Team to a sample of staff and members. Audit reports are sent to Policy Custodians who then complete a management action plan for any improvement areas identified. A summary report is also presented to the Governance Panel and any significant areas included in the AGS.

15 The Chief Internal Auditor uses information gathered from internal audit reviews carried out as part of the annual audit plan, to report on the adequacy of the internal control environment. This report is presented to the Governance Panel and any significant areas included in the AGS

PART 3 – ASSESSMENT OF THE CORE GOVERNANCE PRINCIPLES

16 The Risk and Governance Manager carries out the annual assessment of the core governance principles. The review consists of:

- interviews with key officers,
- reviewing existing procedures, and
- assessing existing governance arrangements against best practice.

17 A summary report is then presented to the Governance Panel and any significant findings will be included in the AGS.

PART 4 – ADDITIONAL GOVERNANCE INFORMATION

18 In order to pull together a full picture of governance across the organisation, the Governance Panel also look at any relevant reports and findings from other inspectorates and groups, along with any self-assessments that the council has completed within the relevant year. Any significant issues are then included in the AGS and the information includes the following:

- External audit reports
- External inspection reports
- Annual review of the effectiveness of the system of internal audit
- Member task group reports and findings

PART 5 - AGS

19 Taking all the above information into account, the draft AGS is developed and agreed by the Governance Panel. The Chair of the Governance Panel consults with Continual Improvement Board before the AGS is presented to the Audit and Governance Committee and the Cabinet.

PART 6 - MONITORING

20 The Governance Panel monitors progress on any improvement actions identified and update reports are presented to senior officers and Audit and Governance Committee as appropriate.

ROLES AND RESPONSIBILITIES

21 All staff and members have a role in ensuring good governance but specific responsibilities are set out below:

| ROLE | RESPONSIBILITIES |
|--|--|
| The Cabinet | <ul style="list-style-type: none">• Approve the AGS for publication with the Statement of Accounts• Monitor any governance improvements required, as appropriate |
| Portfolio Holders | <ul style="list-style-type: none">• Demonstrate ownership of individual policy areas• Approve governance policies as appropriate |
| Audit & Governance Committee | <ul style="list-style-type: none">• Review the draft AGS and advise the Cabinet as appropriate• Monitor the effectiveness of the governance arrangements• Monitor compliance with the Code of Corporate Governance• Approve governance policies as appropriate |
| Continual Improvement Board | <ul style="list-style-type: none">• Commission remedial action to address issues• Review related reports en route to the Cabinet e.g. AGS |
| Governance Panel | <ul style="list-style-type: none">• Refer to the Terms of Reference – Annex D |
| Heads of Service and Assistant Directors | <ul style="list-style-type: none">• Appoint Policy Custodians as required• Promote the delivery of policies within their service• Participate in the governance review and ensure that officers under their charge cooperate within the given timescales• Ensure governance improvements required within their service are acted upon in a timely manner and reported as necessary |
| Policy Custodians | <ul style="list-style-type: none">• Maintain and regularly review policies to ensure they reflect legislative changes, best practice and organisational changes• Ensure policies are communicated effectively• Operate a standard process of version control on all policies• Ensure actions identified through the corporate governance review are acted upon in a timely manner and reported as necessary |
| Risk and Governance Manager | <ul style="list-style-type: none">• Coordinate the corporate governance review• Carry out the annual assessment of core principles• Annually review the Code of Corporate Governance• Ensure provision of Corporate Governance training for staff and members |
| Internal Audit Team | <ul style="list-style-type: none">• Conduct the annual review of policy compliance• Provide information on the internal control environment to inform the AGS |

REVIEWING AND REVISING THE CODE

22 This Code of Corporate Governance will be reviewed annually to reflect any changes. For any queries or comments on this document please contact:

Cath Edwards, Risk and Governance Manager, Business Services

GLOSSARY

| | |
|---|---|
| Annual Governance Statement (AGS) | A statement required by the Accounts and Audit Regulations (Amendment) (England) 2006 explaining how the council has complied with the code of corporate governance. It is signed by the Chief Executive and Leader of the Council and published as part of the annual Statement of Accounts. |
| Chartered Institute of Public Finance and Accountancy (CIPFA) | The leading accountancy body for public services. |
| Constitution of the Council | Sets out how the Council operates, how decisions are made and the procedures that are followed to ensure efficiency, transparency and accountability. |
| Control Risk Self Assessment (CRSA) | An annual self assessment undertaken using questionnaires to ascertain the levels of compliance with governance policies. |
| Corporate Governance | How local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. |
| Custodian Assurance Statement (CAS) | An annual submission from each Policy Custodian providing assurance that each policy is up to date and detailing any work that has been undertaken throughout the year. |
| Effectiveness review | A requirement of the Accounts and Audit Regulations 2006 for the council to annually conduct a review of the effectiveness of its system of internal audit. |
| External Audit | An external annual review of the Council's accounts. |
| Governance Panel | Chaired by the Head of Legal and Democratic Services, the panel ensures that the council has a robust appraisal of governance. It advises Corporate Board, Audit & Governance Committee and Cabinet on the adequacy of the governance arrangements and proposes areas for improvement through the Annual Governance Statement. |
| Internal Audit Team | An independent appraisal function that objectively examines, evaluates and reports on the adequacy of internal control. They are part of the Policy and Performance Service within Chief Executives Office. |
| Monitoring Officer (Head of Legal and Democratic Services) | The statutory officer in accordance with section 5 of the Local Government and Housing Act 1989 with responsibility for: <ul style="list-style-type: none"> • Maintaining the Constitution • Ensuring lawfulness and fairness of decision making • Receiving reports • Receiving and dealing with allegations of misconduct • Access to information • Advising whether executive decisions are within the budget and policy framework • Providing advice |

| | |
|---|---|
| Policy Custodian | Officer(s) with oversight for a governance document. They have responsibility for ensuring that it is up to date and promoted across the authority. |
| Continual Improvement Board | Chaired by the Strategic Director for Environment and Infrastructure, it ensures effective self-regulation, oversight and assurance of governance. |
| Section 151 Officer (Chief Finance Officer and Deputy Director for Business Services) | The statutory officer with responsibility for: <ul style="list-style-type: none"> • the proper administration of the Council's affairs under section 151 of the Local Government Act 1972 • Ensuring lawfulness and financial prudence of decision making • Contributing to corporate management • Providing advice • Giving financial information |
| Society of Local Authority Chief Executives and Senior Managers (SOLACE) | The representative body for senior strategic managers working in local government, promoting effective local government. |

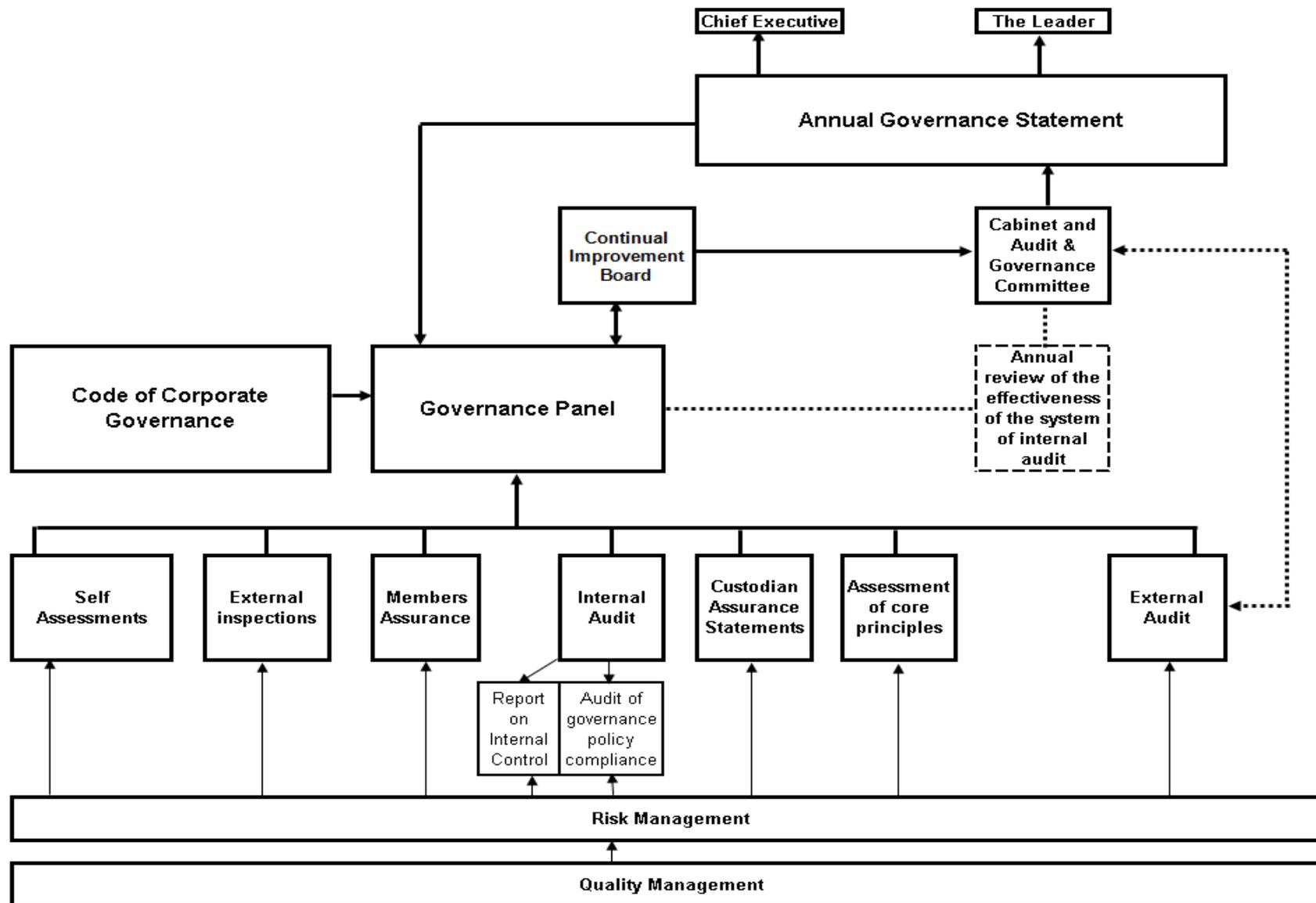
Supporting Governance documents

| | |
|--|--|
| <p><u>RESIDENTS</u> Actively involving local people and stakeholders</p> | <p><u>QUALITY</u> Ensuring a high quality service</p> |
| <p>Fairness and Respect Communication and Engagement Strategy</p> | <p>Complaints Freedom of Information People Strategy</p> |
| <p><u>VALUE</u> Taking informed and transparent decisions that promote value for money</p> | <p><u>PEOPLE</u> Maintaining high standards of conduct</p> |
| <p>Procurement Standing Orders Cabinet Forward Plan Scheme of Delegation Standing Orders</p> | <p>Capability Change Management Codes of Conduct (officers and Members) Arrangements for dealing with complaints about Members Disciplinary Ending Harassment, Bullying and Discrimination</p> <p>Grievance Safer Recruitment Member/Officer Protocol</p> |
| <p><u>PARTNERSHIPS</u> Having clear relationships</p> | <p><u>STEWARDSHIP</u> Ensuring effective risk and performance management systems</p> |
| <p>Surrey Compact Voluntary, Community and Faith Sector (VCFS) Framework Partnership Framework and Principles: <ul style="list-style-type: none"> • Memorandums of Understanding • Joint Working Arrangements </p> | <p>Data Protection IT Security Premises Security Strategy Against Fraud and Corruption Regulation of Investigatory Powers Act (RIPA) Resilience Policy</p> <p>Financial Regulations Risk Management Health and Safety Whistleblowing</p> |

Governance Custodians**Annex B**

| Document | Custodian |
|--|---|
| Arrangements for dealing with complaints about Members | Head of Legal and Democratic Services |
| Cabinet Forward Plan | Cabinet Business Manager |
| Capability | Deputy Head of Human Resources |
| Change Management | Deputy Head of Human Resources |
| Code of Conduct for Staff | Deputy Head of Human Resources |
| Code of Conduct for Members | Head of Legal and Democratic Services |
| Communications and Engagement Strategy | Head of Communications |
| Complaints | Customer Services Improvement Manager |
| Data Protection | Corporate Information Governance Manager |
| Disciplinary | Deputy Head of Human Resources |
| Resilience Policy | Head of Emergency Management |
| Ending harassment, bullying and discrimination | Equality Inclusion and Wellbeing Manager |
| Fairness and Respect | Lead Manager, Policy and Strategic Partnerships |
| Financial Regulations | Chief Finance Officer |
| Freedom of Information | Freedom of Information Officer |
| Grievance | Deputy Head of Human Resources |
| Health and Safety | Senior Health and Safety Manager |
| IT Security | Head of IMT |
| Member / Officer Protocol | Head of Legal and Democratic Services |
| Partnership Framework and Principles | Strategic Director for Change and Efficiency |
| People Strategy | Head of HR and Organisational Development |
| Premises Security | Area Delivery Manager |
| Procurement Standing Orders | Head of Procurement and Commissioning |
| Regulation of Investigatory Powers Act (RIPA) | Community Protection Manager |
| Risk Management Strategy | Risk and Governance Manager |
| Safer Recruitment | Deputy Head of Human Resources |
| Scheme of Delegation | Head of Legal and Democratic Services |
| Standing Orders | Democratic Services Lead Manager |
| Strategy against Fraud and Corruption | Chief Internal Auditor |
| Surrey Compact | Democratic Services Lead Manager |
| VCFS Framework | Democratic Services Lead Manager |
| Whistle blowing | Deputy Head of Human Resources |

Annex C Governance Review Process



Governance Panel - terms of reference

Scope

The Governance Panel (the panel) ensures that the Council has a robust method of scrutiny and appraisal of Governance. The panel advises Continual Improvement Board¹, Audit & Governance Committee (A&GC) and Cabinet on the adequacy of the arrangements and proposes areas for improvement through the Annual Governance Statement (AGS).

The panel reviews reports from Internal Audit, Risk & Governance, External Audit and other relevant documents.

The Role of the Governance Panel

The Governance Panel collectively, is responsible for:

- Reviewing reports from Internal Audit, Risk & Governance, External Audit and other relevant inspectorates
- Agreeing the sample of governance policies to be tested
- Approving changes to the Code of Corporate Governance
- Reviewing significant changes to governance policies
- Reporting on significant governance improvements and weaknesses to the Audit and Governance Committee
- Being a key point of escalation to Continual Improvement Board
- Monitoring improvement plans and reporting to the Audit & Governance Committee
- Reporting progress and key concerns to members

Membership

The following officers form the Governance Panel:

| | | |
|------------------|---|---|
| Chair | - | Head of Legal and Democratic Services (Monitoring Officer) |
| Standing members | - | Chief Finance Officer (Section 151 Officer) |
| | - | Deputy Head of HR & Organisational Development |
| | - | Chief Internal Auditor |
| | - | Representative from Policy and Performance |
| | - | Risk & Governance Manager |
| Advisors | - | Policy custodians |
| | - | Representatives from Internal Audit |

Individual Roles and responsibilities

Chair

- Proactively chair panel meetings, ensure meetings are effective and actions have been completed

¹ Consisting of Strategic Director for Environment and Infrastructure (Chair), Chief Finance Officer, Head of HR and Organisational Development, Head of Policy and Performance, Heads of Service/Assistant Directors from Adult Social Care; Childrens, Schools and Families; Environment and Infrastructure; Customers and Communities.

- Present panel reports to Continual Improvement Board, A&GC and Cabinet and feed back to the rest of the panel members
- Report back to the panel on key issues from other governance meetings as appropriate, including partnerships

Panel members

- Proactively participate at panel meetings
- Report back to the panel on key issues from other governance meetings as appropriate, including partnerships

Risk and Governance Manager

- Provide reports to the panel on areas of risk and governance, including strategic and significant service risks, annual governance review reports and progress reporting
- Prepare panel reports for Continual Improvement Board, A&GC and Cabinet
- Report key issues from external audit and inspection reports including the Annual Audit Letter and the Annual Governance Report
- Undertake the annual review of the Code of Corporate Governance and recommend changes to the panel

Chief Internal Auditor

- Provide reports to the panel on internal control and Control Risk Self Assessment (CRSA) findings

Policy Custodians

May be required to attend any panel meetings at the request of the Chair