Code of Corporate Governance

May 2019

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COMMITMENT TO GOOD GOVERNANCE

Good corporate governance underpins confidence in public services and should be transparent to all stakeholders. We are committed to demonstrating that the council has sound corporate governance and this Code of Corporate Governance sets out the way we meet that commitment. This in turn promotes adherence to our values that guide the behaviour of all officers and Members:

Corporate governance is the way in which the council directs and controls its arrangements to ensure that the intended outcomes for stakeholders are defined and achieved. A robust governance code provides assurance that Surrey is meeting best practice in protecting its assets and serving the community.

The council annually reviews the effectiveness of its governance arrangements and produces an Annual Governance Statement (AGS), which summarises the governance framework and environment in place during the year. The AGS is signed by the Chief Executive and the Leader of the Council and is included within the Statement of Accounts, as required by statute.

This Code of Corporate Governance supplements the Governance Strategy and 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

The council is committed to ensuring that good governance is in place and that we are serving the local community in accordance with the seven principles of public life as defined by the Nolan Committee[1]. 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.

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.

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[1] The Nolan Committee was established in 1994 by the Prime Minister in response to concerns that conduct by some politicians was unethical.

Core Governance Principles

The council has adopted six core governance principles, which ensure good governance, compliance with the principles of public life and support the achievement of our Organisation Strategy and Governance Strategy.

We will focus on our purpose to optimise the achievement of intended outcomes for Surrey and its local communities.

We will meet this by:
- Making the best use of our resources available to ensure best value is achieved; and
- Promoting decision making that is rigorous and transparent.

Members and officers will behave with integrity and demonstrate a strong commitment to ethical values.

We will meet this by:
- Demonstrating and communicating our values; and
- Understanding, monitoring and maintaining our ethical standards.

We will ensure openness and effectively engage with our stakeholders.

We will meet this by:
- Demonstrating, documenting and communicating our commitment to openness; and
- Engaging with residents, partners, businesses and other stakeholders in the development of services.

We will develop the capacity and capability of members and officers to continue to be effective.

We will meet this by:
- Clarifying roles and responsibilities; and
- Ensuring members and officers have the appropriate skills, knowledge, resources and support to perform well in their roles.

We will manage risks and performance through robust internal control and strong public financial management.

We will meet this by:
- Ensuring integrated and effective risk management arrangements are in place; and
- Monitoring service delivery.

We will implement good practice in transparency and reporting to deliver effective accountability.

We will meet this by:
- Reporting to stakeholders in an understandable way; and
- Having good quality information that is easy to access.

SUPPORTING GOVERNANCE DOCUMENTS

There is a robust framework of council policies and processes that are of key importance in maintaining good governance, support the achievement of our Organisation Strategy and underpin compliance with the core governance principles. The documents are shown at Annex A.

Responsibility for each governance document ultimately rests with the Chief Executive or one of the Executive Directors, aside from statutory functions that fall within the personal responsibility of the Section 151 Officer or the Monitoring Officer.

Below those officers and members mentioned above, where appropriate, are officers who have a material input and control over governance documents. These officers are referred to as Governance Custodians and they are shown in Annex B**.**

Governance Custodians are responsible for keeping documents up to date and therefore making necessary changes. Any significant changes require approval by members or officers as shown at Annex C. It is the decision of the relevant officer and/or member as to what is classed as significant.

GOVERNANCE REVIEW

The annual review of governance assesses the level of compliance with each of the core governance principles. The method of annual review is agreed by the Governance Group, who ensures that the Council has a robust method of scrutiny and appraisal of Governance. The group advises Corporate Leadership Team (CLT), 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 Governance Group terms of reference are shown at Annex D.

The annual review of governance may consist of:

CUSTODIAN ASSURANCE
Custodian Assurance Statements completed by Governance Custodians provide an overview of key changes to governance documents and any communications and training activities that have taken place. Recommendations are made, as appropriate, to the Governance Group on any specific areas to be reviewed by Internal Audit as part of the governance compliance work.

GOVERNANCE COMPLIANCE

A number of methods are used by Internal Audit to test governance compliance on identified areas as appropriate:
- Relevant audit reviews already undertaken or in progress;
- Compliance testing on specific governance policies; and
- Assurance mapping.

Key findings from Internal Audit testing is presented to the Governance Group and any significant areas will be included in the AGS.

REPORT ON INTERNAL CONTROL

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 overall internal control environment. This report is presented to the Governance Group and any significant areas will be included in the AGS.

ASSESSMENT OF THE CORE GOVERNANCE PRINCIPLES

An annual assessment of the core governance principles is carried out and consists of:
- reviewing existing procedures,
- assessing existing governance arrangements against best practice,
- interviews with key officers; and
- reviewing any assurance mapping undertaken by Internal Audit.

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

ADDITIONAL GOVERNANCE INFORMATION

The Governance Group reviews 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 can include 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.

AGS

The draft AGS is developed by the Governance Group and reviewed by the Corporate Leadership Team before the AGS is presented to the Audit and Governance Committee and the Cabinet for approval. The AGS is then signed by the Chief Executive and the Leader of the Council and incorporated into the Statement of Accounts.

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

ROLES AND RESPONSIBILITIES

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

ROLE	RESPONSIBILITIES
The Cabinet	• Approves the AGS for publication with the Statement of Accounts • Monitors any governance improvements required
Audit & Governance Committee	• Reviews the draft AGS and advise the Cabinet as appropriate • Monitors the effectiveness of governance arrangements • Monitors compliance with the Code of Corporate Governance • Approves relevant governance policies
Corporate Leadership Team	• Commissions remedial action to address issues as appropriate • Reviews related reports en route to the Cabinet e.g. AGS
Governance Group	• Refer to the Terms of Reference – **Annex D**
Executive Directors and Assistant Directors	• Appoint Governance Custodians • 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
Governance Custodians	• Maintain and regularly review governance documents to ensure they reflect legislative changes, best practice and organisational changes • Ensure governance documents are communicated effectively • Operate a standard process of version control on all governance documents • Ensure actions identified through the corporate governance review are acted upon in a timely manner and reported as necessary
Risk and Governance Manager	• Coordinates the corporate governance review • Carries out the annual assessment of core principles • Annually reviews the Code of Corporate Governance
Internal Audit Team	• Conducts governance compliance testing as necessary • Provides information on the internal control environment to inform the AGS

REVIEWING AND REVISING THE CODE

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, Governance Manager, Finance

GLOSSARY

Annual Governance Statement (AGS)	A statement required by the Accounts and Audit Regulations (England) 2011 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 and the Annual Report.
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.
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)	A submission from each Governance Custodian providing assurance that each policy is up to date and detailing any key updates that have been undertaken.
Effectiveness review	An annual review of the effectiveness of the system of internal audit.
External Audit	An external annual review of the Council's accounts.
Governance Custodian	Officers who have responsibility for ensuring that governance documents are up to date and promoted across the authority.
Governance Group	Reviews governance information and develops the AGS. It advises Corporate Leadership Team, Audit & Governance Committee and Cabinet on the adequacy of the governance arrangements.
Internal Audit Team	An independent appraisal function that objectively examines, evaluates and reports on the adequacy of internal control.
Monitoring Officer (Director of Law and Governance)	The statutory officer in accordance with section 5 of the Local Government and Housing Act 1989 ensuring lawfulness and fairness of decision making.
Section 151 Officer (Executive Director of Resources)	The statutory officer with responsibility for the proper administration of the Council's affairs under section 151 of the Local Government Act 1972.
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.
Corporate Leadership Team	Provide oversight on the council's major statutory responsibilities.

SUPPORTING GOVERNANCE DOCUMENTS

RESIDENTS **Actively involving local people and stakeholders**		QUALITY **Ensuring a high quality service**	
Organisation Strategy, including Community Vision for Surrey in 2030 Equality, Inclusion, Fairness and Respect		Customer Promise People Strategy	
VALUE **Taking informed and transparent decisions that promote value for money**		PEOPLE **Maintaining high standards of conduct**	
Cabinet Forward Plan Procurement and Contract Standing Orders Scheme of Delegation Standing Orders		Behaviours Framework Capability Change Management Codes of Conduct (officers and Members) Ending Harassment, Bullying, Discrimination and Victimisation Arrangements for dealing with complaints about Members	Disciplinary Grievance Resolution Member/Officer Protocol Safer Employment
PARTNERSHIPS **Having clear relationships**		STEWARDSHIP **Ensuring effective risk and performance management systems**	
Various arrangements exist for partnerships, including: • Memorandums of Understanding • Joint Working Arrangements Surrey Compact Surrey Heartlands devolution		Data Governance Financial Regulations Health and Safety policy IT Security policy Premises Security policy Regulation of Investigatory Powers Act (RIPA)	Resilience policy Risk Management Strategy Counter Fraud Strategy Whistleblowing policy

GOVERNANCE DOCUMENT CUSTODIANS

Document	Custodian
Arrangements for dealing with complaints about Members	Director of Law and Governance
Cabinet Forward Plan	Senior Manager Governance
Capability	Head of HR and OD
Change Management	Head of HR and OD
Code of Conduct for Members	Director of Law and Governance
Code of Conduct for Staff	Head of HR and OD
Counter Fraud Strategy	Audit Manager – Counter Fraud
Customer Promise	Customer Services Group Manager
Data Governance policy	Corporate Information Governance Manager
Disciplinary	Head of HR and OD
Equality, Inclusion, Fairness and Respect strategy	Head of HR and OD
Ending harassment, bullying, discrimination and victimisation	Manager – Wellbeing and Inclusion
Financial Regulations	Director of Corporate Finance
Grievance Resolution	Head of HR and OD
Health and Safety policy	Executive Director of CTE
IT Security policy	Chief Information Officer
Member / Officer Protocol	Director of Law and Governance
Organisation Strategy	Director of Intelligence, Analytics and Insight
People Strategy	Director of HR and OD
Performance Conversations Framework	Director of HR and OD
Premises Security policy	Deputy Chief Property Officer
Procurement and Contract Standing Orders	Director of Procurement
Regulation of Investigatory Powers Act (RIPA)	Head of Trading Standards
Resilience Policy	Head of Emergency Management
Risk Management Strategy	Service Improvement and Risk Manager
Safer Employment	Head of HR and OD
Scheme of Delegation	Director of Law and Governance
Standing Orders	Cabinet Business Manager
Whistle blowing policy	Head of HR and OD

GOVERNANCE DOCUMENT APPROVAL

Annex C

Member approval

Cabinet	Leader of the Council
Customer Promise	Cabinet Forward Plan
Equality, inclusion, fairness and respect strategy	
Financial Regulations	**County Council**
Organisation Strategy	Arrangements for dealing with complaints about Members
Procurement and Contract Standing Orders	Code of Conduct – Members
Regulation of Investigatory Powers Act (RIPA)	Member / Officer protocol
	Scheme of Delegation
	Standing Orders

People, Performance and Development Committee	Audit and Governance Committee
Capability	Risk management strategy
Change Management	Counter Fraud Strategy
Code of Conduct – Staff	
Disciplinary	
Ending harassment, bullying, discrimination and victimisation	
Grievance Resolution	
HR&OD	
People Strategy	
Performance Conversations Framework	
Safer Employment	
Whistle blowing policy	

Officer approval

Data governance policy	Information Governance Risk Board
Health and Safety policy	Central Joint Safety Committee
IT Security policy	Chief Information Officer
Premises Security policy	Chief Property Officer
Resilience policy	Head of Emergency Management

GOVERNANCE GROUP – TERMS OF REFERENCE   Annex D

Scope

The Governance Group (the group) ensures that the Council has a robust method of scrutiny and appraisal of Governance. The group advises Corporate Leadership Team (CLT), 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 group reviews reports from Internal Audit, Risk & Governance, External Audit and other relevant documents.

The Role of the Governance Group

The Governance Group collectively, is responsible for:

- Annually reviewing the Code of Corporate Governance and approving changes prior to presentation at the A&GC
- Reviewing reports from Internal Audit, Risk & Governance, External Audit and other inspectorates as appropriate
- Reviewing significant changes to governance documents within the Code of Corporate Governance
- Reporting significant governance issues, providing updates and presenting the draft AGS to CLT and A&GC.

Membership

The following officers form the Governance Group:

Chair   -   Monitoring Officer

Standing members   -   Senior representatives from Finance, HR & OD, Internal Audit and
                                            Strategy & Performance
                             -          Governance Manager

Advisors   -   Governance custodians
                             -           Representatives from Internal Audit