

Code of Corporate Governance



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Commitment to good governance

Good corporate governance underpins confidence in public services and should be transparent to all stakeholders. Surrey County Council is committed to demonstrating that it has sound corporate governance and this Code of Corporate Governance sets out the way it meets that commitment. This in turn promotes adherence to the 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 the Council 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 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

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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 Committee¹. 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.

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

Good 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.

<p>We will focus on our purpose to optimise the achievement of intended outcomes for Surrey and its local communities.</p> <p>We will meet this by:</p> <ul style="list-style-type: none">• Making the best use of our resources available to ensure best value is achieved; and• Promoting decision making that is rigorous and transparent.
<p>Members and officers will behave with integrity and demonstrate a strong commitment to ethical values.</p> <p>We will meet this by:</p> <ul style="list-style-type: none">• Demonstrating and communicating our values; and• Understanding, monitoring and maintaining our ethical standards.
<p>We will ensure openness and effectively engage with our stakeholders.</p> <p>We will meet this by:</p> <ul style="list-style-type: none">• Demonstrating, documenting and communicating our commitment to openness; and• Engaging with residents, partners, businesses and other stakeholders in the development of services.
<p>We will develop the capacity and capability of members and officers to continue to be effective.</p> <p>We will meet this by:</p> <ul style="list-style-type: none">• Clarifying roles and responsibilities; and• Ensuring members and officers have the appropriate skills, knowledge, resources and support to perform well in their roles.
<p>We will manage risks and performance through robust internal control and strong public financial management.</p> <p>We will meet this by:</p> <ul style="list-style-type: none">• Ensuring integrated and effective risk management arrangements are in place; and• Monitoring service delivery.
<p>We will implement good practice in transparency and reporting to deliver effective accountability.</p> <p>We will meet this by:</p> <ul style="list-style-type: none">• Reporting to stakeholders in an understandable way; and• Having good quality information that is easy to access.

Supporting governance documents

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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 Panel, 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 Panel terms of reference are shown at Annex D.

The annual review of governance may consist of the following elements:

CUSTODIAN AND EXECUTIVE DIRECTOR 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 Panel on any specific areas to be reviewed by Internal Audit as part of the governance compliance work.

Executive Director Assurance Statements provide assurance on the governance principles and internal control framework within each directorate. The statements highlight areas of strength and confirm any areas of weakness identified are being actioned through an action plan. Any significant areas are reviewed by the Governance Panel and included in the AGS if appropriate.

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 Panel 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 Panel 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 Panel and any significant findings will be included in the AGS.

ADDITIONAL GOVERNANCE INFORMATION

The Governance Panel 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
- Review of the best value standards and intervention
- Member task group reports and findings.

AGS

The draft AGS is developed by the Governance Panel and reviewed by the Corporate Leadership Team before the AGS is presented to the Audit and Governance Committee 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 Panel 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

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

ROLE	RESPONSIBILITIES
Audit & Governance Committee	<ul style="list-style-type: none"> • Reviews and approves the draft AGS • Monitors the effectiveness of governance arrangements • Monitors compliance with the Code of Corporate Governance • Approves relevant governance policies
Corporate Leadership Team	<ul style="list-style-type: none"> • Ensuring good governance and assurance practices are paramount to the authority • Commissions remedial action to address issues as appropriate • Reviews related reports en route to the Audit and Governance Committee e.g. AGS
Governance Panel	<ul style="list-style-type: none"> • Refer to the Terms of Reference – Annex D
Executive Directors and Directors	<ul style="list-style-type: none"> • Complete the annual Executive Director Assurance Statement. • 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	<ul style="list-style-type: none"> • 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 • Complete the annual Custodian Assurance Statement.
Internal Audit	<ul style="list-style-type: none"> • Conducts governance compliance testing as necessary • Provides information and assurances on the internal control environment to inform the AGS

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.
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 Panel	Reviews governance information and develops the AGS. It advises Corporate Leadership Team and Audit & Governance Committee on the adequacy of the governance arrangements.
Internal Audit	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 Finance and Corporate Services)	The statutory officer with responsibility for the proper administration of the Council's affairs under section 151 of the Local Government Act 1972.
Corporate Leadership Team	Provide oversight on the Council's major statutory responsibilities.

Supporting governance documents

Annex A

RESIDENTS AND PARTNERS Actively involving local people and stakeholders and having clear relationships	VALUE Taking informed and transparent decisions that promote value for money
Customer Promise Organisation Strategy, including Community Vision	Cabinet Forward Plan Procurement and Contract Standing Orders Scheme of Delegation Standing Orders The Surrey Way
PEOPLE Maintaining high standards of conduct	STEWARDSHIP Ensuring effective risk and performance management systems
Arrangements for dealing with complaints about Members Codes of Conduct (officers and Members) Disciplinary Grievance Resolution Managing Reorganisations and Restructures Member/Officer Protocol Performance Improvement Performance Conversations framework Safer Employment Workforce Strategy	Anti-Fraud and Corruption strategy Buildings Security policy Data Governance Financial Regulations Health, Safety and Welfare policy IT Security policy Regulation of Investigatory Powers Act (RIPA) Resilience policy Risk Management Whistleblowing policy

Governance document custodians

Annex B

Document	Custodian
Anti-Fraud and Corruption Strategy	Audit Manager – Counter Fraud
Arrangements for dealing with complaints about Members	Director of Law and Governance
Buildings Security policy	Director of Land and Property
Cabinet Forward Plan	Assistant Director – Governance and Democratic Services
Code of Conduct for Members	Director of Law and Governance
Code of Conduct for Staff	Director of People and Change
Customer Promise	Head of Customer Services
Data Governance policy	Corporate Information Governance Manager
Disciplinary	Director of People and Change
Financial Regulations	Strategic Finance Business Partner - Corporate
Grievance Resolution	Director of People and Change
Health, Safety and Welfare policy statement	Head of Health and Safety
IT Security policy	Chief Information Officer
Managing Reorganisations and Restructures	Director of People and Change
Member / Officer Protocol	Director of Law and Governance
Organisation Strategy	Director of Corporate Strategy and Policy
Performance Improvement	Director of People and Change
Performance Conversations Framework	Director of People and Change
Procurement and Contract Standing Orders	Director of Procurement
Regulation of Investigatory Powers Act (RIPA)	Assistant Director – Trading Standards
Resilience Policy	Assistant Director - Emergency Management and Safer Communities
Risk Management	Head of Strategic Risk
Safer Employment	Director of People and Change
Scheme of Delegation	Director of Law and Governance
Standing Orders	Assistant Director – Governance and Democratic Services
The Surrey Way	Director of Corporate Strategy and Policy
Whistle blowing policy	Director of People and Change
Workforce strategy	Director of People and Change

Governance document approval

Annex C

Member approval

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

People, Performance and Development Committee	Audit and Governance Committee
Code of Conduct – Staff	Anti-Fraud and Corruption Strategy
Disciplinary	Risk Management
Grievance Resolution	
Managing Reorganisations and Restructures	
Performance Improvement	
Performance Conversations Framework	
Safer Employment	
Whistle blowing policy	
Workforce Strategy	

Officer approval

Buildings Security policy	Director of Land and Property
Data governance policy	Information Governance Risk Board
Health, Safety and Welfare policy statement	Central Joint Health, Safety and Wellbeing Committee
IT Security policy	Chief Information Officer
Resilience policy	Assistant Director – Emergency Management and Safer Communities

Terms of Reference

Scope

The Governance Panel (the panel) ensures that the Council has a robust method of scrutiny and appraisal of Governance. The group advises Corporate Leadership Team (CLT) and Audit & Governance Committee (A&GC) 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 Panel

The Governance Panel 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 and 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 Panel:

Chair Monitoring Officer (Director of Law and Governance)

Members Director of Finance
 Chief Internal Auditor
 Internal Audit Manager
 Head of Insights, Systems and Governance (People & Change)
 Deputy Director - Procurement
 Assistant Director – Governance and Democratic Services
 Assistant Director - Transformation
 Senior Finance Business Partner (Finance Improvement)

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