



## CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance is defined as *“the system by which the Council directs and controls its functions and relates to its community”*.<sup>1</sup> Previous national reports<sup>2</sup> have identified three fundamental principles of good Corporate Governance - openness, integrity and accountability - and this Framework sets out how these are met in practice by reference to five separate dimensions of Council business :

<b>Dimension 1</b>	<b>Community Focus</b>
<b>Dimension 2</b>	<b>Service Delivery Arrangements</b>
<b>Dimension 3</b>	<b>Structures and Processes</b>
<b>Dimension 4</b>	<b>Risk Management and Internal Control</b>
<b>Dimension 5</b>	<b>Standards of Conduct</b>

1 This Framework is based upon the model developed by the Society of Local Authority Chief Executives (SOLACE) and the Chartered Institute of Public Finance & Accountancy (CIPFA).

2 Cadbury Report (1992) and Nolan Report (1996)

# 1. Community Focus

Through carrying out their general and specific duties and responsibilities and their ability to exert wider influence, local authorities should:

- work for and with their communities
- exercise leadership in their local communities, where appropriate
- undertake an ‘ambassadorial’ role to promote the well-being of their area, where appropriate, through maintaining effective arrangements:
  - for explicit accountability to stakeholders for the authority’s performance and its effectiveness in the delivery of services and the sustainable use of resources
  - to demonstrate integrity in the authority’s dealings in building effective relationships and partnerships with other public agencies and the private/voluntary sectors
  - to demonstrate openness in all their dealings
  - to demonstrate inclusivity by communicating and engaging with all sections of the community to encourage active participation
  - to develop and articulate a clear and up-to-date vision and corporate strategy in response to community needs.

Wyre Forest District Council will:	Evidence
<p>(a) publish on a timely basis an annual report presenting an objective, understandable account of the Council’s:</p> <ul style="list-style-type: none"> <li>• activities and achievements</li> <li>• financial position and performance.</li> </ul> <p>The report will include statements:</p> <ul style="list-style-type: none"> <li>- explaining the Council’s responsibility for the financial statements</li> <li>- confirming that the Council complies with relevant standards and codes of corporate governance</li> <li>- on the effectiveness of the Council’s system for risk management and internal control</li> </ul> <p>(b) publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the Council’s:</p> <ul style="list-style-type: none"> <li>• current performance in service delivery</li> <li>• plans to maintain and improve service quality</li> </ul>	<ul style="list-style-type: none"> <li>❑ Annual Statement of Accounts</li> <li>❑ Statement on Internal Control</li> <li>❑ Annual Performance Summary</li> <li>❑ Best Value Performance Plan, including Performance Indicators</li> <li>❑ Risk Management Strategy</li>   <li>❑ Best Value Performance Plan, including Performance Indicators</li> <li>❑ Community Strategy</li> <li>❑ Service Business Plans</li> <li>❑ Improvement Plans resulting from Comprehensive Performance Assessment Inspections and Best Value Reviews</li> </ul>

Wyre Forest District Council will:	Evidence
(c) put in place proper arrangements for the independent review of the financial and operational reporting processes	<ul style="list-style-type: none"> <li>❑ Annual Audit &amp; Inspection Letters</li> <li>❑ Cabinet Scrutiny Committee, Policy &amp; Scrutiny Panels, Audit Panel and Budget Review Group</li> <li>❑ Use of Resources (incl Value for Money) assessment</li> </ul>
(d) put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the Council and put in place appropriate monitoring processes to ensure that they continue to work in practice	<ul style="list-style-type: none"> <li>❑ Local Strategic Partnership</li> <li>❑ Community Strategy monitoring reports to Cabinet</li> <li>❑ Citizens' Panel (<i>Community Choice</i>)</li> <li>❑ Consultation Strategy and programme</li> <li>❑ Parish- and Town Forums</li> <li>❑ Provision for public speaking at Council meetings</li> </ul>
(e) make an explicit commitment to openness in all of its dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by its actions and communications deliver an account against that commitment	<ul style="list-style-type: none"> <li>❑ Values set out in the Corporate Plan and Constitution</li> <li>❑ Publication Scheme under the Freedom of Information Act</li> <li>❑ Publication of Council documents, including Agendas and Minutes, on the Council website</li> </ul>
(f) establish clear channels of communication with all sections of the community and other stakeholders, and put in place proper monitoring arrangements to ensure that they operate effectively	<ul style="list-style-type: none"> <li>❑ Council newspaper <i>Newswyre</i></li> <li>❑ Council website</li> <li>❑ Consultation Strategy and programme</li> <li>❑ Customer Feedback (<i>Viewpoint</i>) and Complaints Procedure</li> </ul>
(g) ensure that a vision for its local communities, and its strategic plans, priorities and targets, are developed through robust mechanisms and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated	<ul style="list-style-type: none"> <li>❑ Community Strategy</li> <li>❑ Corporate Plan</li> <li>❑ Service Business Plans</li> <li>❑ Best Value Performance Plan</li> <li>❑ Consultation Strategy and programme</li> </ul>

## 2. Service Delivery Arrangements

A local authority should ensure that continuous improvement is sought, agreed policies are implemented and decisions carried out by maintaining arrangements which:

- discharge their accountability for service delivery at a local level
- ensure effectiveness through setting targets and measuring performance
- demonstrate integrity in dealings with service users and developing partnerships to ensure the 'right' provision of services locally
- demonstrate openness and inclusivity through consulting with key stakeholders, including service users
- are flexible so that they can be kept up to date and be adapted to accommodate change and meet user wishes.

Wyre Forest District Council will:	Evidence
(a) set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies	<ul style="list-style-type: none"> <li>❑ Corporate Plan</li> <li>❑ Best Value Performance Plan</li> <li>❑ Service Business Plans</li> <li>❑ Improvement Plans resulting from Comprehensive Performance Assessment Inspections and Best Value Reviews</li> <li>❑ Equality Standards Policy</li> </ul>
(b) put in place sound systems for providing management information for performance measurement purposes	<ul style="list-style-type: none"> <li>❑ Performance Management Framework and supporting systems</li> </ul>
(c) monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans	<ul style="list-style-type: none"> <li>❑ Performance Management Framework</li> <li>❑ Cabinet Scrutiny Committee, Policy &amp; Scrutiny Panels and Audit Panel</li> <li>❑ Service Business Plans</li> <li>❑ Improvement Plan</li> </ul>

Wyre Forest District Council will:	Evidence
(d) put in place arrangements to allocate resources according to priorities	<ul style="list-style-type: none"> <li><input type="checkbox"/> Budget, including the Council's Annual Priorities</li> <li><input type="checkbox"/> Budget Review Group</li> <li><input type="checkbox"/> Medium Term Finance Strategy</li> <li><input type="checkbox"/> Service Business Plans</li> <li><input type="checkbox"/> Employee Development Reviews</li> </ul>
(e) foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and consider outsourcing where it is efficient and effective to do so, in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice	<ul style="list-style-type: none"> <li><input type="checkbox"/> Community Strategy</li> <li><input type="checkbox"/> Voluntary Sector Compact</li> <li><input type="checkbox"/> Community Information Database (website)</li> </ul>
(f) respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions	<ul style="list-style-type: none"> <li><input type="checkbox"/> Annual Audit &amp; Inspection Letters and Plans</li> <li><input type="checkbox"/> Improvement Plan</li> </ul>

### 3. Structures and Processes

*A local authority needs to establish effective political and managerial structures and processes to govern decision-making and the exercise of authority within the organisation. A local authority should maintain arrangements to:*

- *define the roles and responsibilities of Members and officers to ensure accountability, clarity and ordering of the authority's business*
- *ensure that there is proper scrutiny and review of all aspects of performance and effectiveness*
- *demonstrate integrity by ensuring a proper balance of power and authority*
- *document clearly such structures and processes and to ensure that they are communicated and understood to demonstrate openness and inclusivity*
- *ensure such structures and processes are kept up to date and adapted to accommodate change.*

Wyre Forest District Council will:	Evidence
<p><b>Balance of Power and Authority</b></p> <p>(a) put in place clearly documented protocols governing relationships between Members and officers</p> <p>(b) ensure that the relative roles and responsibilities of executive and other Members, Members generally and senior offices are clearly defined</p>	<ul style="list-style-type: none"> <li>□ Constitution (Codes &amp; Protocols)</li>   <li>□ Constitution</li> <li>□ Scheme of Delegation</li> </ul>

Wyre Forest District Council will:	Evidence
<p style="text-align: center;"><b>Roles and Responsibilities – Members</b></p> <p>(c) ensure that Members meet on a formal basis regularly to set the strategic direction of the Council and to monitor service delivery</p> <p>(d) develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the Council</p> <p>(e) put in place clearly documented and understood management processes for policy development, implementation and review and for decision-making, monitoring &amp; control, and reporting; and formal procedural and financial regulations to govern the conduct of the Council’s business</p> <p>(f) put in place arrangements to ensure that Members are properly trained for their roles and have access to all relevant information, advice and resource as necessary to enable them to carry out their roles effectively</p> <p>(g) ensure that the role of the executive Member(s) is/are formally defined in writing, to include responsibility for providing effective strategic leadership to the Council and for ensuring that the Council successfully discharges its overall responsibilities for the activities of the organisation as a whole</p> <p>(h) ensure that the roles and responsibilities of all Members of the local Council, together with the terms of their remuneration and its review, are defined clearly in writing</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Schedule of Council meetings</li> <li><input type="checkbox"/> Forward Plan</li> <li><input type="checkbox"/> Performance Management Framework</li>   <li><input type="checkbox"/> Constitution (Scheme of Delegation)</li> <li><input type="checkbox"/> Scheme of delegation</li>   <li><input type="checkbox"/> Constitution</li> <li><input type="checkbox"/> Performance Management Framework</li>   <li><input type="checkbox"/> Members’ induction scheme</li> <li><input type="checkbox"/> Members’ Charter</li> <li><input type="checkbox"/> Member support and training, including compulsory training for certain functions, e.g. recruitment, planning, chairing committees</li> <li><input type="checkbox"/> Members’ Information Bulletin</li> <li><input type="checkbox"/> Codes of Practice, e.g. media contact</li>   <li><input type="checkbox"/> Constitution</li>   <li><input type="checkbox"/> Constitution</li> <li><input type="checkbox"/> Members’ Allowances Scheme</li> </ul>

Wyre Forest District Council will:	Evidence
<p style="text-align: center;"><b>Roles and Responsibilities – Officers</b></p> <p>(i) ensure that a chief executive or equivalent is made responsible to the Council for all aspects of operational management</p> <p>(j) ensure that a senior officer is made responsible to the Council for ensuring that appropriate advice is given to it on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control</p> <p>(k) ensure that a senior officer is made responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with</p> <p>(l) ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are defined clearly in writing</p> <p>(m) adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole Council are acknowledged and resolved</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Job description</li> <li><input type="checkbox"/> Scheme of Delegation</li>   <li><input type="checkbox"/> Job description</li> <li><input type="checkbox"/> Scheme of Delegation</li>   <li><input type="checkbox"/> Job description</li> <li><input type="checkbox"/> Scheme of Delegation</li>   <li><input type="checkbox"/> Job Descriptions, contracts of employment and job evaluation</li> <li><input type="checkbox"/> Documentation on national pay and conditions of service</li> <li><input type="checkbox"/> Employee Development Review</li>   <li><input type="checkbox"/> Constitution (Codes &amp; Protocols)</li> </ul>



#### 4. Risk Management and Internal Control

An authority needs to establish and maintain a systematic strategy, framework and processes for managing risk. Together, these arrangements should:

- include making public statements to stakeholders on the authority's risk-management strategy, framework and processes to demonstrate accountability
- include mechanisms for monitoring and reviewing effectiveness against agreed standards and targets and the operation of controls in practice
- demonstrate integrity by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks
- display openness and inclusivity by involving all those associated with planning and delivering services, including partners
- include mechanisms to ensure that the risk-management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains up to date.

Wyre Forest District Council will:	Evidence
<p>(a) develop and maintain robust systems for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services</p> <p>(b) put in place effective risk-management systems, including systems of internal control and an internal audit function. These arrangements will ensure compliance with all applicable statutes, regulations and relevant statements of best practice, and ensure that public funds are properly safeguarded and are used economically, efficiently and effectively, and in accordance with the statutory and other authorities that govern their use</p>	<ul style="list-style-type: none"> <li>❑ Risk Management Strategy</li> <li>❑ Cabinet Scrutiny Committee, Policy &amp; Scrutiny Panels and Audit Panel</li> <li>❑ Performance Management Framework</li>   <li>❑ Constitution (Financial Procedure Rules)</li> <li>❑ Risk Management Strategy</li> <li>❑ Performance Management Framework</li> <li>❑ Terms of Reference for Internal Audit function</li> </ul>

Wyre Forest District Council will:	Evidence
(c) ensure that services are delivered by trained and experienced people	<ul style="list-style-type: none"> <li>❑ Job Descriptions / person specifications</li> <li>❑ Employee Development Review &amp; training needs analysis</li> <li>❑ Training Plan</li> <li>❑ IIP accreditation (Divisional)</li> </ul>
(d) put in place effective arrangements for an objective review of risk-management and internal control, including internal audit	<ul style="list-style-type: none"> <li>❑ Risk Management Strategy</li> <li>❑ Cabinet Scrutiny Committee, Policy &amp; Scrutiny Panels and Audit Panel</li> <li>❑ Performance Management Framework</li> <li>❑ Internal Audit Plan</li> <li>❑ Internal Audit reports (quarterly) to the Audit Panel</li> </ul>
(e) maintain an objective and professional relationship with its external auditors and statutory inspectors	<ul style="list-style-type: none"> <li>❑ Annual Audit &amp; Inspection Plan and Letter</li> </ul>
(f) publish on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the Council's risk-management and internal control mechanisms and their effectiveness in practice	<ul style="list-style-type: none"> <li>❑ Annual Statement of Accounts</li> </ul>

## 5. Standards of Conduct

*The openness, integrity and accountability of individuals within a local authority form the cornerstone of effective corporate governance. The reputation of the authority depends on the standards of behaviour of everyone in it, whether Members, employees or agents contracted to it.*

*Therefore, Members and senior officers of a local authority will need to:*

- *exercise leadership by conducting themselves as role models for others within the authority to follow*
- *define the standards of personal behaviour that are expected from Members and employees and all those involved in service delivery, and put in place arrangements to ensure:*
  - *accountability, through establishing systems for investigating breaches and disciplinary problems and taking actions where appropriate, including arrangements for redress*
  - *effectiveness in practice through monitoring their compliance*
  - *that objectivity and impartiality are maintained in all relationships to demonstrate integrity*
  - *that such standards are documented and clearly understood to display openness and inclusivity and are reviewed on a regular basis to ensure that they are kept up to date.*

Wyre Forest District Council will:	Evidence
(a) develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual Members, officers, and agents of the Council are required to subscribe, and put in place appropriate systems and processes to ensure that they are complied with	<ul style="list-style-type: none"> <li>❑ Constitution (Codes &amp; Protocols)</li> <li>❑ Ethics &amp; Standards Committee</li> <li>❑ Complaints Procedure</li> <li>❑ Employee Development Review</li> <li>❑ Performance Management Framework</li> </ul>
(b) put in place arrangements to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders, and put in place appropriate processes to ensure that they continue to operate in practice	<ul style="list-style-type: none"> <li>❑ Constitution (Financial- &amp; Contract Procedure Rules; Codes &amp; Protocols)</li> <li>❑ Theft, Fraud &amp; Corruption Policy</li> </ul>

Wyre Forest District Council will:	Evidence
(c) put in place arrangements to ensure that its procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice	<input type="checkbox"/> Constitution <input type="checkbox"/> Ethics & Standards Committee
(d) put in place arrangements for whistle-blowing to which employees and all those contracting with the Council have access	<input type="checkbox"/> Whistle-Blowing Policy

Wyre Forest District Council  
30 March 2006