



FROME TOWN COUNCIL

Chapter 11

Corporate Governance Policy



5 Palmer Street
Frome
BA11 1DS



01373 465757



admin@frome-tc.gov.uk

Date Adopted: 18 June 2008
Version: V01/2008
Review Date: September 2010

A copy of this document is also available in different formats such as large print, Braille, audio or in a different language, please contact the office if this is required.

Corporate Governance Policy

1. Introduction

Frome Town Council is committed to the principles of good corporate governance. Alongside this document, the Town Council is working to meet the Practitioners' Check List for Corporate Governance as launched by The Society of Local Council Clerks in London in May 2006. Attached as appendix 1.

Corporate governance is the system by which this Council direct, monitor and control our functions and relate to our community. The Town Council is dependent on our Members and staff delivering excellent corporate governance which requires them to conduct themselves in accordance with the high standards expected by the local community.

Four fundamental principles of corporate governance are Openness, Inclusivity, Integrity and Accountability in line with the five interlocking dimensions in a corporate governance framework consisting of:

- Community Focus
- Service Delivery
- Structures and Processes
- Risk Management and Internal Control
- Standards of Conduct

Our Code of Corporate Governance specifically identifies the action to be taken for each of the five interlocking dimensions of our business.

The Policy and Finance Committee of the Council is responsible for approving this Code and the Chief Executive / Responsible Finance Officer is entrusted for ensuring that it is kept up to date by review on an annual basis.

This Code fits into the Council's Policy Plan 2008 – 2011 and associated Strategy Document which sets out the Council's vision, alongside corporate and service objectives, targets, performance etc. The document also recognises the wider requirements of policy and strategy and the necessity for interlocking with policy areas of other providers such as that of the Local Development Framework and the local Strategic Partnership.

This Council also places a great importance on partnership working, in terms of the delivery of services, assisting other providers to meet their targets and responsibilities and in terms of the development of local partnerships such as the Frome Local Action Group coordinated by Frome Police.

2. Commitments

Within the commitments of this Code the Council will ensure that the principles of corporate governance are applied in all aspects of its activities and, in particular:

Community Focus

- Working forum with the community.

- Exercise in leadership in the community.
- Undertaking an ambassadorial role to promote the well-being of the town.

Service Delivery Arrangements

- Ensuring that continuous improvement is sought.
- Ensuring that agreed policies are implemented.

Structures and Processes

- Both Members and Officers understand and accept the responsibilities of an organisation.
- Ensuring Members are fully involved in decision-making.

3. Risk Assessment and Internal Control

- Establishing and maintaining a system strategy and process for managing risk.
- Ensuring that internal control processes are effectively tested.
- Ensuring that internal processes, procedures and systems are reviewed and updated to accommodate any required changes.

4. Standards of Conduct

- Defining the standards of personal behaviour that are expected from Members and Officers.
- Put in place and maintain arrangements to monitor and ensure compliance.

Actions to be taken by the Town Council in relation to each dimension of corporate governance:

1. COMMUNITY FOCUS

The Town Council will:

- (a) Publish on an annual basis a report in the style of a Best Value Performance Plan presenting an objective, understandable report of the authority's activities, achievements, financial position and performance. The plan will include current performance in service delivery and plans to maintain and improve service delivery.
- (b) 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 authority. This is achieved through specific working with individual groups and organisations and establishing links and regular meetings with local interest groups/forums. The Council also has a policy of providing a fifteen minute public session time in advance of each Council or Standing Committee meeting.
- (c) Making an explicit commitment to openness in all dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.

The Council believes it is open and honest in its communications and in working with others and the Council has detailed protocols and procedures for processing Data Protection or Freedom of Information requests. The Publication Scheme exists for such access.

- (d) Establish clear channels of communication with all sections of the community and other stakeholders and put in place proper monitoring arrangements to ensure they operate effectively. The Council has many ways of communicating with our citizens and stakeholders. These include publications such as the quarterly newsletter. A new website launched in the summer of 2007, established links and member attendance at meetings with local interest groups and forums, such as Youth Council, Frome Tourist Information Centre, Vision 4 Frome, etc.

The Council also has a positive communication strategy in terms of providing information for the local press and media.

- (e) Ensure that a vision for their local communities and their strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders. The Council believes that it is working towards this achievement by its membership of various local partnerships. It has been involved in the development of a 20 year community plan co-ordinated through Vision 4 Frome a Market and Coastal Towns funded initiative and is fully committed to taking its vision as a community champion into the various partnerships with which it operates.

2. SERVICE DELIVERY ARRANGEMENTS

The Town Council will:

- (a) Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies.
 - The standards of the Council are laid out in its Policy Plan and related strategy document and has a policy relating to equality and ensuring that everyone is treated fairly.
- (b) Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans.
 - The Annual Report will include a Best Value style Performance Plan and will be adopted before the 30th June each year. This sets key performance measures and targets. The Council is developing key performance indicators and regular financial performance information is reported to each Standing Committee.
- (c) Foster effective relationships and partnerships with other public sector agencies and with the private and voluntary sectors and consider outsourcing where it is efficient and effective to do so in delivery services to meet the needs of the local community and put in place processes to ensure that they operate effectively in practice.

The Council has many examples of effective partnership working, including the Youth Council, Frome Local Action Group, the CCTV User Group, the Vision 4 Frome Community Strategy and working with The Somerset Association of Local Councils. The Council has also established excellent local partnerships and relationships with organisations such as the Frome Twinning Association, Frome Civic Society and Frome in Bloom.

- (d) Respond positively to the findings and recommendations of auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions.

Audit Commission reports and responses are presented to the Council, together with action plans to address issues raised.

3. STRUCTURES AND PROCESSES

The Town Council will:

- (a) Put in place clearly documented protocols governing relationships between members and officers.
- These are taken from statutory documents produced by the Standards Board for England and adopted by the Council.
 - The Council has put in place arrangements to ensure that Members are properly trained for their roles and have access to all relevant information, advice and resources. Upon appointment, each Councillor is provided with a Council Handbook and in-house guidance and advice is provided by the Chief Executive. The Council subscribes to training from the County Association (SALC), The National Association of Local Councils and the The Society of Local Council Clerks.
 - The Council provides the strategic direction for the authority and devolves it powers to the three Standing Committees of the Council. The Council is developing a performance management policy that clearly identifies the role of Councillors, Committees and appointed staff.
- (b) 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 authority.
- The Council has a scheme of delegated powers which is devolved to the three Standing Committees of the Council and/or the Chief Executive as appropriate.
- (c) Put in place clearly documented and understood management processes for policy development, implementation and review and for decision making, monitoring and control and reporting; and formal procedural and financial regulations to govern the conduct of the authority's business.

- The Council has a policy development and implementation plan and is examining the corporate governance practitioner's check list as provided by The Society of Local Council Clerks 2006 for further areas requiring actioning.
- (d) Ensure that the Chief Executive is made responsible to the authority for all aspects of operational management.
- This forms part of the specific job description and is a key requirement. Equally the R.F.O. of the Council (currently also the Clerk) is the responsible person for ensuring that appropriate advice is given to it on all its financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial control.
- (e) Adopt clear protocols and Codes of Conduct to ensure that the implications and supporting community political leadership of the whole Council acknowledged and resolved.
- Clear protocols and codes of conduct are set out in respect of Members' Code of Conduct, Communication Strategy (under development), I.T. Code of Practice and the plethora of policy documents relating to good governance within the authority.

4. RISK MANAGEMENT AND INTERNAL CONTROL

The Town Council will:

- (a) Put in place proper arrangements for the independent review of the financial and operational reporting processes. This will be achieved through The Audit Commission appointment of an External Auditor and an independent Internal Auditor directly appointed by the Council. The Policy and Finance Committee will receive reports and reviews from the Internal Auditor and recommendations for action will be taken to full council
- (b) 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.
- The Council is in the process of developing a risk management strategy, however while in development risk management frameworks exist for all service areas, the ultimate responsibility for risk management rests with the Chief Executive, with elements devolved to the Outside Services Manager who liaises with experts as necessary to guide and drive the development of risk management forward, particularly risk profiling.
- (c) Aim to ensure that our services are delivered by trained and experienced people.
- All posts have job descriptions and person specifications detailing the essential and desirable qualities, abilities, qualifications and expertise necessary to undertake the duties of any post. The Council is committed

to providing professional development opportunities for all members of staff.

- (c) Maintain an objective and professional relationship with its external auditors and statutory inspectors.
- The Council has worked hard to build up the necessary relationships with its internal auditor and Moore Stephens appointed by The Audit Commission as external auditor. The annual audit reports are presented to Council and/or Policy and Finance Committee, as appropriate.

5. STANDARDS OF CONDUCT

The Town Council will:

- (a) Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers, and agents of the authority are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with.
- The Council has adopted a Members' Code of Conduct; it is awaiting the Officers' Code of Conduct. It already has and is further reviewing and developing a number of policy documents around the requirements of promoting high standards of personal behaviour as expected from Members and Officers including areas such as I.T. /e-mail. The Standards Committee of Mendip District Council has the clear remit and process for dealing with issues relating to the Town Council and the Staff Handbook (in development) of the Council contains policy statements and guidance on equal opportunities, whistle blowing, finance at work, health and safety at work, etc. There is a clear and fully documented staff disciplinary and grievance process to deal with breaches in any code or protocol.
- (b) Put in place arrangements to ensure that members and employees of the authority 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.
- The employees' code of conduct (in development) stipulates that they must not be influenced by prejudice, bias or conflicts of interest in any matter relating to the authority. All declarations of interest are recorded in the appropriate minute book and staff, where appropriate; assist Members to ensure that guidance is provided.
- (c) Put in place arrangements for whistle blowing to which staff and all those connected with the Council have access.

A policy document is available and provided to all staff which actively encourages Members and staff to blow the whistle about wrong doing.

6. SERVICE DELIVERY - ORGANISATIONAL STRUCTURE

The Council itself is the policy and strategic decision making body for the Council and it devolves delegated functions and budgets to three Standing Committees, namely Planning and Economic Development, Policy and Finance and Recreation and Properties and a range of sub committees and advisory working parties. The cycle for these meetings is agreed at the Annual Meeting of the Council each May. The head of the paid service of the Council is the Chief Executive (currently also R.F.O.) who is assisted by a range of Officers and staff, both full and part-time. The decision making framework for the above will be defined in the performance management system to be adopted by Council.

7. OUR ASPIRATIONS

This Code of Corporate Governance is a first attempt that is designed to set out the current operational systems of the Council and the policies and procedures that we have in place to promote good corporate governance.

The concept is relatively new to the parish and town council sector and therefore the Town Council has taken as its guide the work carried out by The Society of Local Council Clerks in partnership with the members of the former 41 Best Value Group of Parish and Town Councils. This body has developed a template for corporate governance for the sector. At the May 2006 Larger Councils Conference, promoted by The Society of Local Council Clerks, a check list was adopted (see Appendix A) and during the next twelve months the Town Council will set up a relevant group to examine the priorities as set out in the document and these will be introduced into the revised 2009 Code of Corporate Governance. The index for that practitioners' checklist is set out below:

- Assessing the needs/opportunities for the Town
- Coherent Programmes based on local needs and opportunities
- Organisational Aims and Objectives
- Communication Strategy
- Supporting Partnerships
- Equal Access to Services
- E-Government and ICT Strategies
- The Council's Policy and Decision Making Processes
- Comprehensive Corporate Planning Processes
- Best Value - Securing Continuous Improvement
- Human Resources Strategy
- Asset Management Strategy
- Legality of Transactions
- Treasury Management - In relation to Good Stewardship of Resources
- Financial Reporting and Monitoring
- Standard of Financial Conduct
- Internal Financial Control Systems (i.e. Internal Audit Function)
- Medium and Long Term Financial Planning, (including Reserves/Balances)
- Performance Management Systems
- Risk Management
- Project Management

- Effective Leadership
- Mutual Respect
- Standards of Conduct/Ethical Framework

7. SUMMARY

This policy attempts to set out in an open, honest and transparent way the way in which this Council directs and controls its functions and relates to its community.