



LOCAL CODE OF CORPORATE GOVERNANCE

Date Created	March 2017
Review Date	June 2021
Next Review Date	June 2022
Owner	Internal Audit Manager

1 Introduction

- 1.1 Hart District Council is committed to demonstrating high standards of governance. The Local Code of Corporate Governance sets out how local arrangements put the principles of good governance into practice.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) have published a framework document for Corporate Governance in Local Government published April 2016. This document is based on those principles
- 1.3 The Local Code of Corporate Governance also considers the introduction of the CIPFA Financial Management Code 2019 (FM Code) introduced during 2021/22 which is designed to support good practice in financial management and sets standards of financial management for local authorities.
- 1.3 The code has been updated considering the changes to governance arrangements made to adapt to the impact of Covid-19

2 What is Corporate Governance?

- 2.1 Corporate Governance comprises of the arrangements put in place to ensure that intended outcomes for service users and stakeholders are defined and achieved, while always acting in the public interest. It is about doing the right things, in the right way, for the right people, in a timely, inclusive, open, transparent, honest, and accountable way.

3 Principles of good financial management

- 3.1 The CIPFA Financial Management Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, the Code requires that a local authority demonstrate that its processes satisfy the principles of good financial management for an authority of its size, responsibilities, and circumstances. Good financial management is proportionate to the risks to the authority's financial sustainability posed by the twin pressures of scarce resources and the rising demands on services.

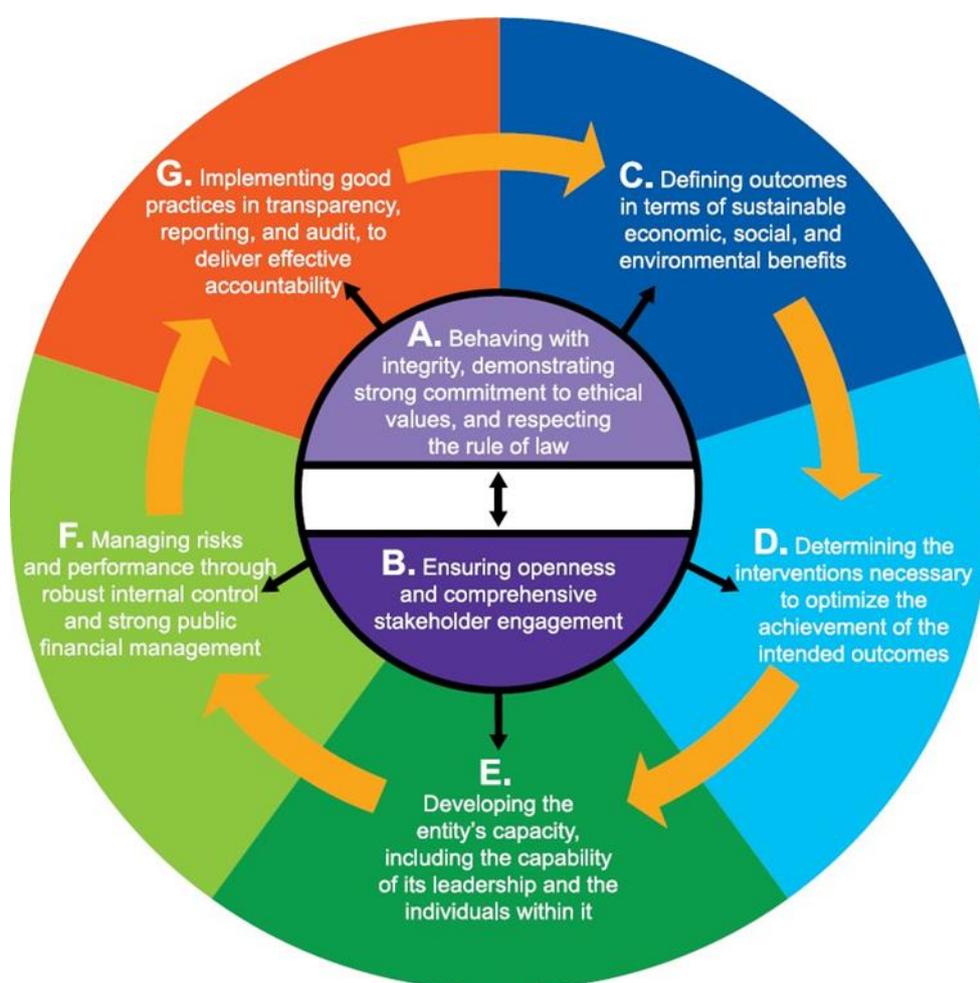
4 Responsibilities

- 4.1 All Members and officers have a responsibility for upholding the principles of good governance.
- 4.2 Management are responsible for the development, delivery, and review of robust corporate governance arrangements.

- 4.3 The Audit Committee has responsibility for monitoring and reviewing the Council's corporate governance arrangements.
- 4.4 The effectiveness of the Governance Framework will be reviewed annually. The outcomes of the review will be reported to the Audit Committee as part of the Annual Governance Statement.

5 Our Framework

- 5.1 The Council's Governance Framework is based on a recommended best practice for Local Authorities developed by CIPFA/SOLACE, 2016. The seven principles of the framework are shown in the diagram below.



5 Principles of Good Governance

The Council will comply with the requirements of the CIPFA/SOLACE Governance Framework 2016:

5.1 Behaving with Integrity

Principle	Examples of the Council's commitment to achieving good governance in practice is demonstrated below
Behaving with integrity Demonstrating strong commitment to ethical values Respecting the rule of law.	<ul style="list-style-type: none"> • Constitution • Code of Conduct for Employees • Code of Conduct Councillors • Scheme of delegation for officers. • Statutory Officers are in post • Declaration of Interest • Register of gifts and hospitality • Equality and Diversity Information • Corporate Equality Policy • Corporate Equality Objectives • Whistleblowing Policy • Anti- Fraud and Corruption Policy • Financial Regulations and Standing Orders • Contracts Register • Published Members allowances • Published Spend over £500 • Notification of Public Inspection and Audit of Accounts • Induction programme for officers and members • Overview and Scrutiny committee • Standards Committee • Hart District Council Covid 19 Recovery Plan

5.2 Ensuring openness and comprehensive stakeholder engagement.

Principle	Examples of the Council's commitment to achieving good governance in practice is demonstrated below
Ensuring openness and comprehensive stakeholder engagement.	<ul style="list-style-type: none"> • Constitution • Publication of corporate policies • Corporate Plan • Hart 2040 Vision • Hart Values • Public Consultation • Officer Consultation during Covid • Customer Feedback forms • Social Media engagement • Hart for Business newsletter – increased during Covid

	<ul style="list-style-type: none"> • Open Council and Committee meetings with published minutes • Council Meetings were held online during Covid • Hart News – Publication for residents • Covid Newsletters for residents in April and August 2020 • Regular Staff briefings – Increased during 2020 • Regular staff newsletter – Increased to weekly in 2020
--	--

5.3 Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Principle	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
Defining outcomes in terms of sustainable economic, social, and environmental benefits.	<ul style="list-style-type: none"> • Climate Change: Carbon Reduction Action Plan • Corporate Plan • Service Plans • Corporate and Service Risk Registers • Treasury Management Strategy • Capital Strategy • Annual Budget setting • Project Management structures and protocol • Medium Term Financial Plan • Commercialisation Strategy • Preventing Homelessness and Rough Sleeping Strategy • Covid 19 Recovery Plan

5.4 Determining the interventions necessary to optimise the achievement of the intended outcomes.

Principles	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
Determining the interventions necessary to optimise the achievement of the intended outcomes.	<ul style="list-style-type: none"> • Risk Management Policy • Corporate and Service Risk Registers • Risk Management reporting

	<ul style="list-style-type: none"> • Public Consultations • Month Budget Monitoring • Budget Monitoring reporting • Regular Portfolio Holder Meetings with Heads of Service • Financial reporting • Overview and Scrutiny Committee
--	---

5.5 Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

Principle	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
Developing the entity’s capacity, including the capability of its leadership and the individuals within it.	<ul style="list-style-type: none"> • Recruitment Policy • Member Induction • Officer Induction • Officer 1 to 1s • Officer Performance Development Review • Mandatory Officer and Member Training • Continuing Professional Development and learning programmes • Peer reviews • Health and Wellbeing Support services in place • Regular officer welfare checks and updates throughout 2020 • Specialist teams used for professional advice – e.g., Legal

5.6 Managing risks and performance through robust internal control and strong financial management.

Principles	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
Managing risks and performance through robust internal control and strong financial management.	<ul style="list-style-type: none"> • Constitution • Risk Management Policy • Corporate and Service Risk Register • Internal Audit programme • External Audit work • Audit Committee • Overview and Scrutiny

	<ul style="list-style-type: none"> • Review of Local Code of Corporate Governance • Treasury Management Reporting • Budget Monitoring • Cyber and Fraud Awareness training for officers and members • GDPR training • Policies and procedures in place to prevent fraud • Covid business grant – Fraud checks in place both pre and post payment • Covid Recovery Plan • IT security policy
--	--

5.7 Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Principles	Examples of the Council’s commitment to achieving good governance in practice is demonstrated below
Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.	<ul style="list-style-type: none"> • Transparency Reports • Follow up on Internal and External Audit Plans • Open Council and Committee meetings with published minutes • Internal Audit annual audit opinion • Internal Audit • External Audit • The internal audit service works to the requirements of the Public Sector Internal Auditing Standards • Compliance with CIPFA codes and practices • Annual Governance Statement • Overview & Scrutiny Committee • Peer / External Reviews • External Audit letter • Statement of Accounts

6 How Corporate Governance Arrangements are monitored and reported

6.1 The extent to which the governance arrangements are in place and effective is considered as part of the authority's annual governance statement.

6.2 The review of governance arrangements will be reported to the Audit Committee and externally with the published accounts of the authority, to provide assurance that:

- the governance arrangements are adequate and working effectively in practice
- where the reviews of the governance arrangements have revealed significant gaps, which will impact on the authority achieving its objectives, action is to be taken to ensure effective governance in future.

7 The CIPFA Financial Management (FM) Code

7.1 The CIPFA FM Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, the Code requires that a local authority demonstrate that its processes satisfy the principles of good financial management for an authority of its size, responsibilities, and circumstances. Good financial management is proportionate to the risks to the authority's financial sustainability posed by the twin pressures of scarce resources and the rising demands on services.

7.2 The main principles are:

- Organisational Leadership
- Accountability
- Transparency
- Adherence to professional Standards
- Sources of Assurance
- Sustainability

7.3 A review of how Hart meets these standards is documented in the Annual Governance Statement.