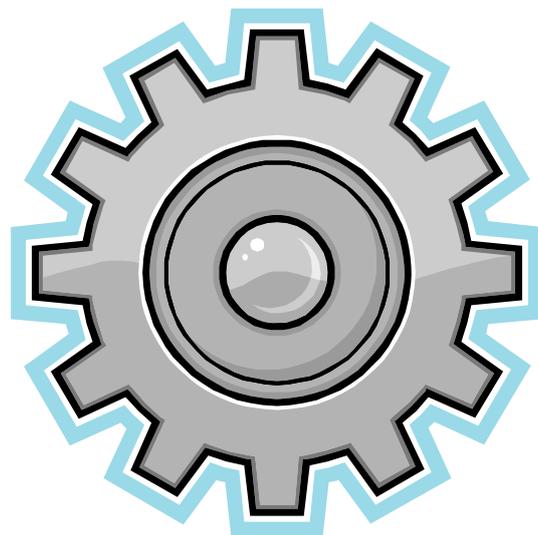




**DORCHESTER TOWN COUNCIL**

**CODE OF  
CORPORATE  
GOVERNANCE**



# **DORCHESTER TOWN COUNCIL**

## **Code of Corporate Governance**

### **Introduction**

#### **Local Code of Corporate Governance**

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## Introduction

Corporate governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions, and lead and control their functions, to achieve their objectives (*“Corporate governance – improvement and trust in local public services”* Audit Commission, 2003).

So corporate governance is about how the Council goes about its work and how it holds itself answerable to the community it serves.

The Council has a key role in leading and governing the community of Dorchester, and is committed to the highest standards of corporate governance in all its practices and processes.

Good corporate governance supports effective decision making. Effective decision making in a well-governed organisation is based on:

- A well balanced accountability framework that is based on clear communication and understanding across the organisation of roles and responsibilities
- Robust performance, financial, risk and information management systems
- High standards of conduct

Organisations with good corporate governance have the capacity to maintain high-quality services and to deliver improvement. Poor governance arrangements set the framework within which organisational systems and processes fail to detect or anticipate serious service and financial failures.

Good governance in organisations, based on openness, clarity and honest accountability enhances public trust and civic engagement.

We are committed to engaging the community in the decisions we take, upholding the highest standards of probity and accounting openly to our stakeholders for our actions, performance and outcomes.

The principles of good governance are:

- **Openness and inclusiveness:** ensuring that full and accurate information is available about what we do and how we do it and ensuring that everyone who wants to can engage with the decision making process.
- **Integrity:** ensuring we are straightforward and honest in our dealings
- **Accountability:** being answerable for our decisions and actions.

We are committed to embedding these principles within our culture. We shall do this by applying the principles to a defined framework of management processes in a way that makes them transparent. Our various corporate governance arrangements are important to the following areas of our activities:

- Community focus
- Performance on service delivery
- Structures and processes

- Risk management and internal control
- Standards of conduct

This Code is based on the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework *Corporate Governance in Local Government: A Keystone for Community Governance*. The Code is supported by the Local Government Association and the Audit Commission. We have reviewed our existing corporate governance arrangements against this framework, have prepared and adopted this Local Code and will carry out regular assessments to make sure it is applied in practice.

In addition, we shall make an annual statement in our annual Performance and Policy Plan on how we are complying with our Code, how we have monitored its effectiveness during the year and any changes that we have planned in the coming period.

## 1. Community Focus

The Council will continue to work for and with the people of Dorchester, exercising leadership when it is right to do so and do its best to promote the well-being of the town.

	<b>What?</b>	<b>How?</b>	<b>Where?</b>
a)	<p>The Council will publish information in an objective and understandable form of its:</p> <ul style="list-style-type: none"> <li>• Activities &amp; achievements</li> <li>• Financial position and performance</li> </ul>	<p>The Council will produce <i>Dorchester News</i> four times a year containing articles on services and activities, feedback from any community survey, performance measures for the year, and a summary of accounts.</p> <p>The Council will produce and publish its statement of accounts annually, and make it available in both electronic and paper format.</p>	<p><i>Dorchester News</i></p> <p><i>Annual Accounts</i></p>
b)	<p>The Council will publish an annual Performance and Policy Plan presenting an objective, balanced and understandable account and assessment of its:</p> <ul style="list-style-type: none"> <li>• Current performance in service delivery</li> <li>• Plans to maintain and improve service quality</li> </ul>	<p>The Council will produce and publish a Performance and Policy Plan by 30 June each year. This will contain performance figures, targets for improvement, performance against priority tasks and summaries of completed reviews.</p>	<p><i>Performance and Policy Plan</i></p>
c)	<p>The Council has put in place proper arrangements for independent review of its financial and operational reporting processes</p>	<p>Reports from the Audit Commission are submitted to the Policy Committee for information; all members of the Council receive copies and can attend and speak at the meeting.</p>	
d)	<p>The Council has 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 and put in place appropriate monitoring processes to ensure they continue to work in practice</p>	<p>The Performance and Policy Plan sets out the Council's consultation statement.</p> <p>The Council will continue to engage the public, its partners and its stakeholders with reference to specific schemes and projects.</p> <p>The Council publicises calendars of meetings and circulates agenda papers to the press.</p>	<p><i>Performance and Policy Plan</i></p> <p><i>Annual appointments of members to serve on various outside bodies</i></p> <p><i>Regular liaison with twinning societies, users of sports pitches, allotment holders, etc.</i></p>
e)	<p>The Council is committed to openness in all its dealings, subject only to the need to preserve</p>		

	<p>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.</p>		
f)	<p>The Council will 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.</p>	<p>The Council's main channels of external communication are through <i>Dorchester News</i> which is delivered to every household 4 times a year), and press releases or responses.</p> <p>The Council actively supports the community planning process and the Community Partnership Worker who leads the Dorchester Area Partnership is based in the Council Offices.</p>	<p><i>Dorchester News</i></p> <p><i>Dorchester Area Partnership</i></p>
g)	<p>The Council will engender a high level of civic pride.</p>	<p>The Council provides a wide range of facilities and activities which all help to build a sense of community.</p> <p>It is committed to maintaining the traditions associated with Dorchester's historic role as County Town and to organising civic events which celebrate this in response to both local and national issues.</p> <p>It will continue to organise a free programme of summer events which have proved to be effective in enhancing community life.</p> <p>It will also continue to develop new and improve existing facilities for active and passive recreation where possible and to maintain its various facilities to a high standard.</p>	<p><i>Annual programme of civic events</i></p> <p><i>One-off events</i></p> <p><i>Concert programme</i></p> <p><i>Performance and Policy Plan</i></p>

<b>2. Service Delivery Arrangements</b>		
The Council is committed to seeking continuous improvement in all its services.		
<b>What?</b>	<b>How?</b>	<b>Where?</b>
a) The Council sets standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies	Standards and targets for performance are set annually by the Council and contained within the Performance and Policy Plan.	<i>Performance and Policy Plan</i>  <i>Equal Opportunities Policy</i>  <i>Equal Opportunities monitoring</i>
b) The Council will put in place sound systems for providing management information for performance measurement purposes.	Performance information is reported retrospectively in the Performance and Policy Plan and in a half year monitoring report.  The Council will develop and implement a simple performance management system during 2006/07.	<i>Performance and Policy Plan</i>  <i>Best Value Half Year Monitoring Report</i>
c) The Council monitors and reports performance against agreed standards and targets and has developed comprehensive and understandable performance plans	The Performance and Policy Plan reports performance against targets and standards for the year.  The half year monitoring report provides ongoing performance information.  The Council will develop and implement a simple performance management system during 2006/07.	<i>Performance and Policy Plan</i>  <i>Best Value Half Year Monitoring Report</i>
d) The Council has put in place arrangements to allocate resources according to priorities.	The Policy Committee is responsible for allocating resources for the Council's functions taking into account the objectives approved by the Council.  The Performance and Policy Plan details priority tasks for the year. Progress on these tasks is reported in the half year monitoring report.	<i>Performance and Policy Plan</i>  <i>Best Value Half Year Monitoring Report</i>
e) The Council has fostered effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and considered outsourcing where	The Council has a positive and pragmatic attitude to partnership working and is both receptive to and proactively working towards building and maintaining	

	<p>it is efficient and effective to do so. It has put in place processes to ensure that they operate effectively in practice.</p>	<p>relationships with other bodies.</p> <p>The Council considers outsourcing where it is efficient and effective to do so; decisions regarding service delivery are informed by the Council's procurement strategy.</p>	<p><i>Procurement Strategy</i></p>
f)	<p>The Council responds positively to the findings and recommendations of external and internal auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions</p>	<p>Audit Commission agreed recommendations are absorbed into workload. Follow-up of Audit Commission recommendations is monitored by the Policy Committee and the Town Clerk.</p>	<p><i>Audit Commission opinion</i></p> <p><i>Audit Commission Management Letter</i></p>

<b>3. Structures and Processes</b>		
The Council has established effective political and managerial structures and processes to govern decision making and the exercise of authority within its organisation.		
<b>What?</b>	<b>How?</b>	<b>Where?</b>
<b><i>Balance of Power and Authority</i></b>		
a) The Council has put in place clearly documented protocols governing relationships between members and officers.	The Council has approved a Member - Officer protocol, drafted by the Town Clerk.	<i>Member Officer Protocol</i>
b) The Council has ensured that the relative roles and responsibilities of members and senior officers are clearly defined	Powers and Duties of Committees and the Scheme of Delegation set out the roles and responsibilities of the Council and its various committees and senior officers.	<i>Powers and Duties of Committees</i>  <i>Scheme of Delegation</i>
<b><i>Roles and Responsibilities - Members</i></b>		
c) Members of the Council meet on a formal basis regularly to set the strategic direction of the Authority, to determine policy and to monitor service delivery	A schedule of regular meetings of all Committees and Council is agreed annually in advance.	<i>Calendar of Meetings</i>
d) The Council has developed and maintains a scheme of delegation which includes a formal schedule of those matters specifically reserved for the collective decision of the Authority	The Scheme of Delegation contains a schedule of delegated and reserved powers.	<i>Scheme of Delegation</i>
e) The Council has 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.	Processes are set out in the Council's Powers and Duties of Committees, Standing Orders and Financial Regulations.  These also set out detailed rules of procedure for full council, committees, officer employment rules, and contain the financial regulation policy framework.	<i>Powers and Duties of Committees</i>  <i>Standing Orders</i>  <i>Financial Regulations</i>
f) 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 resource as necessary to enable them to carry out their roles effectively	A members induction pack is maintained by the Council Office staff. This pack contains information on key contacts, organisational and political management structure, forthcoming events, model code of conduct, the Council's Powers and Duties of Committees, Standing Orders and Financial Regulations etc.	<i>Members Induction Pack and initial briefing for new members</i>  <i>Codes of Conduct for Members and Officers</i>

<b><i>Roles &amp; Responsibilities: Officers</i></b>			
g)	The Town Clerk is responsible to the Authority for all aspects of operational management.	The Town Clerk's responsibilities as head of paid service and overall operational manager are set out in the job description for the post.	<i>Town Clerk's Job Description</i>
h)	The Council has adopted clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole council are acknowledged and resolved.	The Council has adopted a Member - Officer protocol which specifically sets out guidelines for officer support to members and party groups.	<i>Member - Officer Protocol</i>

#### 4. Risk Management and Internal Control

The Council is in the process of establishing a systematic strategy, framework and processes for managing risk.

	What?	How?	Where?
a)	<p>The Council will develop a robust system for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services.</p> <p>The Council will maintain a risk management system</p>	<p>A high-level risk management policy has been developed, and strategic and business risks have been identified by officers.</p> <p>An ongoing risk management system is in the course of preparation.</p>	<p><i>Risk Management Policy</i></p>
b)	<p>The Council has put in place effective risk management systems, including systems of internal control and retains the services of an internal auditor.</p>	<p>The council has a number of risk minimisation/control procedures in place:</p> <ul style="list-style-type: none"> <li>• Internal audit</li> <li>• Health &amp; safety policy and practices</li> <li>• Insurance policy &amp; practices</li> <li>• Performance appraisal</li> <li>• Financial regulations</li> <li>• Best Value / service review</li> <li>• Performance management reporting</li> </ul> <p>An ongoing risk management system is in the course of preparation which, when it is completed, will draw these various elements together.</p>	<p><i>Internal Audit Policy &amp; plan</i></p> <p><i>Insurance Policy</i></p> <p><i>Personnel policies</i></p> <p><i>Financial Regulations</i></p> <p><i>Review Programme</i></p> <p><i>Performance and Policy Plan</i></p> <p><i>Half Year Monitoring Report</i></p>
c)	<p>Services are delivered by trained and experienced people.</p>	<p>The Authority has introduced a full programme of staff appraisal, mandatory for all officers, which ensures officers are aware of their personal objectives, and identifies and addresses all training needs in a specific manner.</p>	<p><i>Personal Achievement and Development Scheme</i></p> <p><i>Corporate Training Plan</i></p>
d)	<p>The Council has put in place effective arrangements for an objective review of risk management and internal control, including internal audit.</p>	<p>The Audit Commission review the Council's risk management arrangements (including internal audit), and report annually to members.</p> <p>The Council's internal auditor reviews risk management and internal control annually.</p>	<p><i>Audit Commission Annual Management Report</i></p>

e)	The Council maintains an objective and professional relationship with its external auditors.	From a Council perspective, there is an objective and professional relationship with the District Auditor and Best Value Inspectors.	
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## 5. Standards of Conduct

The Council is committed to the highest standards of conduct in all its dealings. Members and senior officers are expected to exercise leadership by conducting themselves as role models for others within the Council to emulate, and by defining standards of personal behaviour applicable to all members and staff.

	<b>What?</b>	<b>How?</b>	<b>Where?</b>
a)	The Council has developed and adopted 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.	<p>The Council has adopted the model code of conduct for members (as issued in the Local Government Act 2000) in its Constitution. The model officer code of conduct is awaited, but the Council has adopted an interim code.</p> <p>The Council has approved a whistle blowing policy which has been communicated to members and staff as applicable.</p> <p>There is a formal complaints procedure in place.</p>	<p><i>Codes of Conduct for Members and Officers</i></p> <p><i>Whistle Blowing Policy</i></p> <p><i>Complaints Procedure</i></p>
b)	The Council has 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.	<p>There are a number of arrangements in place to ensure freedom from prejudice, bias and conflicts of interests for members and officers.</p> <p>The primary document for members is the model code of conduct, which sets out obligations for elected members.</p> <p>Officers will be bound by the national officers' code of conduct when it is received, and in the meantime by the Council's local code, as well as the Council's Standing Orders and Financial Regulations.</p>	<p><i>Code of Conduct for Members</i></p> <p><i>Code of Conduct for Officers</i></p> <p><i>Standing Orders</i> <i>Financial Regulations</i></p>
c)	The Council has put arrangements in place to ensure that its procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice.	<p>The model codes of conduct conform to appropriate ethical standards.</p> <p>See above re monitoring for continuing compliance</p>	<p><i>Code of Conduct for Members</i></p> <p><i>Code of Conduct for Officers</i></p>
d)	Put in place arrangements for whistle blowing to which staff and all those contracting with the Council have access	A whistle blowing policy has been agreed and all staff notified.	<i>Whistle Blowing Policy</i>

