

CODE OF CORPORATE GOVERNANCE

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1. Introduction

- 1.1 The Code of Corporate Governance is the council's formal commitment to the highest standards of governance, transparency, and accountability. Our framework has adopted the governance principles developed by the Chartered Institute for Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) as detailed within the 2016 'Delivering Good Governance in Local Government Framework'. The 2025 'Delivering Good Governance in Local Government Framework' Addendum, covering the annual review of governance and the annual governance statement, has also been incorporated.
- 1.2 The purpose of this Code of Corporate Governance is to provide clarity on responsibilities, processes, and values that underpin good governance within the council. The Code is part of council's constitution and applies to all members, officers, and those acting on behalf of the council.
- 1.3 Corporate governance in UK local government means making sure we do the right things, in the right way, for the right people — openly, honestly, and with accountability. It covers the systems, processes, culture, and values that guide how the council is run, how decisions are made, how money is managed, and how the council is held responsible to the public.
- 1.4 Good governance leads to effective:
- leadership and management
 - performance and risk management
 - stewardship of public money
 - public engagement and outcomes for our citizens and service users.
- 1.5 This will enable the council to provide services and deliver its Community & Corporate Plan whilst ensuring that there are mechanisms in place to identify and mitigate any risk.

2. Core Principles

- 2.1 Values matter to Monmouthshire County Council. They set out the expectations for ourselves, each other and the way we conduct business with organisations that we work with. Our organisational values are:
- Teamwork
 - Openness
 - Flexibility
 - Fairness
 - Kindness

These values provide a foundation for everyone attached to our organisation to be accountable, to be positive and to be bold in delivering on our purpose of:

Monmouthshire being a zero carbon county, supporting well-being, health and dignity for everyone at every stage of life.

Our values and the behaviour of our elected / lay members and all Officers of the Council underpins our governance framework.

2.2 The councils' Code of Corporate Governance is based on the following seven core principles as set out in the 'Delivering Good Governance in Local Government Framework' published by CIPFA / SOLACE:

2.3 **Principle 1: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values, and Respecting the Rule of Law**

- All council members and officers will act with integrity in all their dealings and decision-making.
- The council will maintain and promote a robust ethical framework, including a code of conduct and whistleblowing policy.
- Compliance with the law and adherence to relevant policies, procedures, and guidance shall be regularly monitored.
- Training and awareness programmes will ensure all staff and members understand their ethical and legal responsibilities.

2.4 **Principle 2: Ensuring Openness and Comprehensive Stakeholder Engagement**

- The council will operate transparently, making information publicly available unless restricted for legal or confidentiality reasons.
- Stakeholder engagement, including with local residents, businesses, and community groups, will be actively encouraged and facilitated.
- Regular consultations and feedback mechanisms will inform policy and service delivery.
- Decisions and their rationales will be clearly communicated to stakeholders.

2.5 **Principle 3: Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits**

- Strategic objectives will be set to deliver long-term benefits for the community, aligned with the Well-being of Future Generations (Wales) Act 2015.
- Performance measures will be established to assess progress against economic, social, and environmental targets.
- Resource allocation will reflect priorities identified through stakeholder engagement and council strategy.

2.6 **Principle 4: Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes**

- The council will use evidence-based decision-making to determine the most effective interventions.
- Risk management processes will identify and mitigate potential obstacles to achieving outcomes.
- Regular review of interventions will ensure they remain fit for purpose and deliver value for money.

2.7 **Principle 5: Developing Capacity and Capability**

- Staff and elected members will receive ongoing training and development to fulfil their roles effectively.
- Succession planning and talent management will ensure continuity and resilience within the council.

- Partnerships with other organisations will be leveraged to enhance capacity and share best practice.

2.8 Principle 6: Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management

- The council will maintain effective systems of internal control, regularly reviewed by internal and external audit.
- Financial management will comply with CIPFA's Financial Management Code and other relevant standards.
- Risks will be identified, assessed, and managed transparently, with clear accountability for mitigation actions.
- Performance management frameworks will monitor achievement of objectives and drive continuous improvement.

2.9 Principle 7: Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability

- Annual Governance Statements will be produced in line with CIPFA/SOLACE guidance, providing assurance on governance arrangements.
- The council will publish transparent reports on financial and non-financial performance.
- Recommendations from internal and external audit will be acted upon promptly, with progress tracked and reported.
- Scrutiny committees and other accountability mechanisms will be maintained to challenge and improve council performance.

2.10 Further detailed information regarding the Governance Principles can be found within Appendix 1.

3. Implementation

3.1 The council will ensure that this Code of Corporate Governance is embedded throughout its policies, procedures, and culture. The code will be reviewed periodically and updated as necessary to reflect changes in legislation, guidance, and best practice, including evolving CIPFA recommendations.

3.2 Embedding the Code in Council Operations

3.2.1 **Constitutional Integration:** The Code is formally included in the council's constitution, making it binding on all members, officers, and those acting on the council's behalf. This ensures that governance principles are not optional but are a core part of how the council operates day-to-day.

3.2.2 **Policy Alignment:** All council policies and procedures need to align with the Code's principles.

3.3 Governance Framework and Accountability

3.3.1 **Governance Framework:** The Code sets out the council's governance framework, which includes systems, processes, culture, and values. This framework is the basis for the Annual Governance Statement (AGS), which is a statutory requirement under the Accounts and Audit (Wales) Regulations 2014.

- 3.3.2 **Roles and Responsibilities:** The Monitoring Officer oversees legal compliance and ethical standards, while the Section 151 Officer is responsible for financial management. The Chief Internal Auditor coordinates the review of internal control activities.
- 3.3.3 **Ongoing Review of Corporate Governance:** The ongoing review of Corporate Governance will be undertaken by the Strategic Leadership Team, with regular monitoring and consideration. As a minimum this will involve a mid-year review of the Annual Governance Statement Action Plan and an early input into and review of the draft Statement as it gets produced. Key officers — including the Chief Internal Auditor, Health & Safety Manager, and Head of Information Technology & Security — will be invited to participate in discussions as appropriate.

4. Meeting the commitments set out in the Code

- 4.1 Each year, the Council must publish an Annual Governance Statement (AGS) to accompany the Annual Accounts. The AGS provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective. The AGS identifies what arrangements the authority has put in place to achieve each principle, and key examples are given of how the Council has met the governance commitments set out in this Code.
- 4.2 In Monmouthshire County Council, the AGS is independently co-ordinated by the Chief Internal Auditor who also provides their unbiased view of the internal control environment. The review also relies on work undertaken in year by both Internal Audit, Audit Wales and other Regulatory Bodies. Any area(s) that require further improvement will be considered for inclusion as a Significant Governance Issue or a Priority for Improvement. The document itself is collectively owned by the Strategic Leadership Team and presented to the Governance & Audit Committee for approval to be included within the Annual Statement of Accounts.

5. Approval and Ownership

- 4.1 The Code has been drafted by Chief Internal Auditor, reviewed by the Section 151 Officer, Monitoring Officer and other members of the Strategic Leadership Team. The Code is to be endorsed by the Governance & Audit Committee and approved by full Council for it to be incorporated into the Councils Constitution. The ownership of the Code itself remains with the Council and its Strategic Leadership Team
- 4.2 The Code is to be reviewed with minor updates as and when required. A full review will be completed at least every four years. This review process will be overseen by the Governance & Audit Committee, with input from senior officers, legal, finance and internal audit.
- 4.3 Factors that may prompt an immediate review of the Code of Corporate Governance can include:
- Significant changes in the maturity of the Councils governance, risk management, and control processes.

- When a serious Governance failing has been identified or where the External Auditor is unable to certify the Statement of Accounts.
- Significant changes in the Council's Constitution, policies and procedures or relevant laws and/or regulations.
- Significant changes to members of the Council or senior management.
- An unfavourable external assessment of a main Council function such as a whole Authority ESTYN or Social Care Wales inspection report.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Council is accountable not only for how much it spends, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub-Principles	The Council is committed to:
Behaving with integrity	A1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council
	A2 Ensuring members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)
	A3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions
	A4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively
Demonstrating strong commitment to ethical values	A5 Seeking to establish, monitor and maintain the Council's ethical standards and performance
	A6 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the Council's culture and operation
	A7 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
	A8 Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with high ethical standards expected by the Council.

Sub-Principles	The Council is committed to:
Respecting the rule of law	A9 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations A10 Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements A11 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders A12 Dealing with breaches of legal and regulatory provisions effectively A13 Ensuring corruption and misuse of power are dealt with effectively

Principle B: Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub-Principles	The Council is committed to:
Openness	B1 Ensuring an open culture through demonstrating, documenting and communicating our commitment to openness B2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided B3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear B4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action
Engaging comprehensively with institutional stakeholders	B5 Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably B6 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively B7 Ensuring that partnerships are based on trust, a shared commitment to change and a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit
Engaging stakeholders effectively, including individual	B8 A clear policy on the type of issues that the Council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service provision is contributing towards the achievement of intended outcomes

Sub-Principles	The Council is committed to:
citizens and service users	B9 Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement B10 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs B11 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account B12 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity B13 Taking account of the interests of future generations of tax payers and service users

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Sub-Principles	The Council is committed to:
Defining Outcomes	C1 Having a clear vision which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council's overall strategy, planning and other decisions C2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer C3 Delivering defined outcomes on a sustainable basis within the resources that will be available C4 Identifying and managing risks to the achievement of outcomes C5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available
Sustainable economic, social and environmental benefits	C6 Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision C7 Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints C8 Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs

Sub-Principles	The Council is committed to:
	C9 Ensuring fair access to services

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource input while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised

Sub-Principles	The Council is committed to:
Determining interventions	D1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided D2 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts
Planning Interventions	D3 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets D4 Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered D5 Considering and monitoring risks facing each partner when working collaboratively including shared risks D6 Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances D7 Establishing appropriate local performance indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured D8 Ensuring capacity exists to generate the information required to review service quality regularly D9 Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan

Sub-Principles	The Council is committed to:
	D10 Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy
Optimising achievement of intended outcomes	D11 Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints
	D12 Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term
	D13 Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage

Principle E — Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities

Sub-Principles	The Council is committed to:
Developing the entity's capacity	E1 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
	E2 Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness
	E3 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently
	E4 Recognising the benefits of partnerships and collaborative working where added value can be achieved
Developing the capability of the entity's leadership and other individuals	E5 Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained
	E6 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body
	E7 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority
	E8 Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged,

Sub-Principles	The Council is committed to:
	• ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis, • ensuring personal, organisation and system-wide development through shared learning, including • lessons learnt from both internal and external governance weaknesses E9 Ensuring that there are structures in place to encourage public participation E10 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections E11 Holding staff to account through regular performance reviews which take account of training or development needs E12 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental well being

Principle F — Managing risks and performance through robust internal control and string public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will ensure financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub-Principles	The Council is committed to:
Managing Risk	F1 Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making
	F2 Implementing robust and integrated risk management arrangements and ensuring they are working effectively
	F3 Ensuring that responsibilities for managing individual risks are clearly allocated
Managing performance	F4 Monitoring service delivery effectively including planning specification, execution and independent post-implementation review
	F5 Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook
	F6 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the Council's performance and that of any organisation for which it is responsible
	F7 Providing members and senior management with regular reports on progress towards outcome achievement

Sub-Principles	The Council is committed to:
	F8 Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (eg financial statements)
Robust internal control	F9 Aligning the risk management strategy and policies on internal control with achieving objectives F10 Evaluating and monitoring risk management and internal control on a regular basis F11 Ensuring effective counter fraud and anti-corruption arrangements are in place F12 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor F13 Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: • provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment • that its recommendations are listened to and acted upon
Managing data	F14 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data F15 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies F16 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring
Strong public financial management	F17 Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance F18 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub-Principles	The Council is committed to:
Implementing good practice in transparency	G1 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate
	G2 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand
Implementing good practices in reporting	G3 Reporting at least annually on performance, value for money and the stewardship of resources
	G4 Ensuring owners and senior management own the result
	G5 Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)
	G6 Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate
	G7 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations
Assurance and effective accountability	G8 Ensuring that recommendations for corrective action made by external audit are acted upon
	G9 Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon
	G10 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations
	G11 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement
	G12 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met

