

Report of the Deputy Chief Executive/Director of Customer & Corporate Services

Local Code of Corporate Governance

Summary

1. This report provides a review of the Code of Corporate Governance following the updated framework and guidance notes issued jointly by The Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

Recommendations

2. That Audit & Governance Committee recommend to Full Council;
 - a. the removal of the current Code of Corporate Governance from the Constitution and
 - b. the adoption of the revised Local Code of Corporate Governance attached as Annex A to this report.

Reason: To ensure appropriate governance arrangements are in place, in line with the responsibility of this committee to ensure these arrangements are working effectively.

Background and Analysis

3. The council's current Code of Corporate Governance is included within the Constitution and was last reviewed by Audit & Governance Committee in 2009. Following the new framework and guidance issued by CIPFA/SOLACE earlier this year it is considered that, in future, the Code would be more appropriate as a separate policy outside of the Constitution.
4. Corporate Governance is a term used to describe how organisations direct and control what they do. As well as systems and processes this includes

culture and values and, for councils, this includes how they relate to the communities they serve.

5. The term “local code” essentially refers to the governance structure in place and to achieve good corporate governance the council should be able to demonstrate that its governance structures comply with the core principles set out in the Framework.
6. It is also crucial that the Framework is applied in a way that demonstrates the spirit and ethos of good governance, which can not be achieved by rules and procedures alone. Shared values that are integrated into the culture of an organisation, and are reflected in behaviour and policy are hallmarks of good governance.
7. The CIPFA/SOLACE Framework “Delivering Good Governance in Local Government” identifies seven core principles and the Local Code attached at Annex A is structured around these principles:
 - a. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - b. Ensuring openness and comprehensive stakeholder engagement
 - c. Defining outcomes in terms of sustainable economic, social and environmental benefits
 - d. Determining the interventions necessary to optimise the achievement of the intended outcomes
 - e. Developing the Council’s capacity, including the capability of its leadership and the individuals within it
 - f. Managing risks and performance through robust internal control and strong public financial management
 - g. Implementing good practices in transparency, reporting and audit to deliver effective accountability
8. Each of the seven core principles has a number of sub principles which in turn translate into a range of specific behaviours and actions that apply across various aspects of the Council to demonstrate good governance.
9. The new Code will be reviewed annually by officers through the Governance, Risk & Assurance Group as part of the preparation of the Annual Governance Statement. Any revisions to the Code will be reported to Audit & Governance Committee for approval as part of this process.

10. The code will also be published on the council's website and will include links, where appropriate, to the policies and strategies that underpin the principles set out in the Code.

Consultation

11. The local Code of Corporate Governance attached at Annex A has been developed by the Governance, Risk & Assurance Group. This group includes a range of officers from across finance, procurement, legal, HR, information management and Veritau.

Options

12. No other options have been considered.

Council Plan

13. Good governance is an essential feature of how the Council is accountable to residents in ensuring a focus on cost and efficiency to make the right decisions in a challenging financial environment.

Implications

14. The implications are
 - Financial – good governance leads to good management, good performance and effective stewardship of public money.
 - Human Resources - there are no human resource implications to this report.
 - Equalities - there are no equality implications to this report.
 - Legal – the council must adopt a Code of Corporate Governance in accordance with best practice, as outlined in the CIPFA/SOLACE Framework.
 - Crime and Disorder - there are no crime and disorder implications to this report.
 - Information Technology - there are no information technology implications to this report.
 - Property –there are no property implications to this report.
 - Other – there are no other implications to this report.

Risk Management

15. Effective governance enables the council to deliver its objectives whilst ensuring sound arrangements for control and management of risk. Failure

to develop and maintain a local Code of Corporate Governance would mean that the council would be failing in its responsibilities for ensuring accountability and the proper conduct of its affairs.

Contact Details			
Author:		Chief Officer responsible for the report:	
Debbie Mitchell Finance & Procurement Manager Tel: 01904 554161		Ian Floyd Deputy Chief Executive/Director of Customer & Corporate Services	
Emma Audrain Technical Accountant Tel: 01904 551170		Report approved	√ 28 November 2016
Specialist Implications Officer(s) None			
Wards Affected:			All √

For further information please contact the author of this report

Background Working Papers

CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 Edition – available from the report authors

Annexes

Annex A Local Code of Corporate Governance