

Report to Audit Committee

Subject: Local Code of Corporate Governance 2021/22

Date: 16 March 2021

Author: Monitoring Officer

Purpose

To seek approval for the updated Local Code of Corporate Governance 2021/22.

Recommendation

THAT:

The Local Code of Corporate Governance for 2021/22 be approved.

1 Background

- 1.1 Corporate governance is the system by which organisations are directed and controlled and it became an important concept following the Cadbury Committee's report in 1992 on financial aspects of corporate governance. As a consequence, all local authorities have sought to demonstrate compliance with best practice by drawing up a Local Code of Corporate Governance, based on CIPFA/SOLACE Guidance first published in 2007.
- 1.2 In April 2016, CIPFA and SOLACE published the publication "Delivering Good Governance in Local Government: Framework" which is in essence an updated version of the original 2007 publication. However, amendments to the framework include an update to the Core Principles and sub principles to ensure organisations demonstrate good governance by "Achieving the Intended Outcomes While Acting in the Public Interest at all Times". The Framework makes it clear that it is up to each local authority to:

- Set out its commitment to the principles of good governance;
- Determine its own governance structures and local Code; and
- Ensure that it operates effectively in practice.

1.3 The Local Code of Corporate Governance should set out the governance structures the Council has in place to demonstrate how it complies with the Core principles and sub-principles. It is a 'living document' in that it must be periodically reviewed and amended to ensure that it satisfies the changing financial and corporate environment.

1.4 Members of the Committee will recall that on 12 September 2017 it was agreed that the process of review of the Code should be as follows:-

- Senior Leadership Team

The Senior Leadership Team (SLT) will review the Council's governance and risk management arrangements and identify a work programme for ensuring these arrangements remain robust and up-to-date as and when necessary. SLT will also proactively review issues which may arise during the course of the Council's day to day business and take steps to address them. SLT will report directly to the Audit Committee as and when necessary.

- The Audit Committee

The Audit Committee has overall responsibility for the Council's governance and risk management arrangements, and will be the main Member review of those arrangements. The Committee will approve any amendments to the Local Code.

1.5 At the end of the financial year, the Audit Committee will receive an annual report from the Chief Executive and Leader: the "Annual Governance Statement", which reports on the extent that the Council complies with its own Code of Corporate Governance and whether those arrangements are adequate and operating effectively. The Annual Governance Statement will accompany the Statement of Accounts report.

2 Proposal

2.1 In accordance with the agreed process, Senior Leadership Team has reviewed the Local Code on Corporate Governance in consultation with Heads of Service and has made a number of minor amendments to ensure that it remains up to date and fit for purpose. For ease of reference the amendments are shown in strikethrough and italics. Members will note that

the majority of amendments reflect a slight delay in the delivery of some actions due to capacity to deliver those actions during the Covid-19 pandemic, however those actions moved to completion in 2021/22 are expected to be completed within the first quarter. It is proposed that Audit Committee now approves the Local Code of Corporate Governance for 2021/22 attached at Appendix 1.

3 Alternative Options

- 3.1 Not to approve the Local Code of Governance or propose different amendments to the Code. As highlighted however, the requirement to have a Code is best practice as indicated by CIPFA/SOLACE guidance and supports the Annual Governance Statement required by statute by setting out clearly the Council's approach to governance across the organisation. The review undertaken for 2021/22 by SLT has been undertaken in consultation with Heads of Service and reflects all required amendments.

4 Financial Implications

- 4.1 None directly arising from this report.

5 Legal Implications

- 5.1 The Code has been drawn up to demonstrate compliance with best practice as set out by CIPFA/SOLACE and supports the Annual Governance Statement which is required as part of the accounts process as required by statute and in particular the Accounts and Audit Regulations 2015.

6 Equalities Implications

- 6.1 None directly arising from this report.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 None directly arising from this report.

8 Appendices

8.1 Appendix 1 – Local Code of Corporate Governance for 2021/22.

9 Background Papers

9.1 None identified.

Statutory Officer approval	
Approved by:	Chief Financial Officer
Date:	8 March 2021
Approved by:	Monitoring Officer
Date:	8 March 2021