

Report to Audit Committee

Subject: The Local Code of Corporate Governance 2023/24

Date: 14 March 2023

Author: Monitoring Officer

Purpose

To seek approval for the updated Local Code of Corporate Governance 2023/24.

Recommendation

THAT:

The Local Code of Corporate Governance for 2023/24 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 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

there has been a suite of governance training delivered in 2022/23 and more to be delivered in the next year and a number of other additions to the Code of Governance reflecting the work undertaken in 2022/23 including:

- Consultation with residents on the Gedling Plan and budget for 2023/24
- New style Gedling Plan approved for 2023-27
- Adoption of a register of interests for staff and accompanying policy document
- Adoption of an Unacceptable Customer behaviour policy and Customer Promise
- Training for officers on the updated constitution, standing orders and fee setting
- A new Member training induction programme being developed
- Establishment of a training matrix for senior officers in respect of Corporate Governance
- The establishment of an officer group for the delivery of the Carbon Management Strategy
- The tracking of audit recommendations through Pentana
- The tracking of Equality Framework Actions through Pentana
- Establishment of a Corporate Management Team to support Senior Leadership team in strengthening governance throughout the organisation.
- The delivery of Community Outreach Sessions in the borough to engage with residents.

The Code also identifies work to be undertaken next year including review of the Member's Code of Conduct, Arrangements for Dealing with complaints under the Member's Code of Conduct and Gifts and Hospitality Code of Practice as well as preparation of a Procurement Strategy and Fees and Charges Strategy.

2.2 It is proposed that members approve the Code of Governance for 2023/24.

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 2023/24 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 2023/24.

9 Background Papers

9.1 None identified.

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer