

Monitoring Officer Report – Code of Corporate Governance

Report Author(s): Emma Hodds
Chief of Staff & Monitoring Officer
01508 533791
Emma.hodds@southnorfolkandbroadland.gov.uk

Portfolio: Leader

Ward(s) Affected: All

Purpose of the Report:

The purpose of this report is to set out the review of the Council's Code of Corporate Governance and to seek endorsement to the recommendation that Council adopts the revised Code within its Constitution.

Recommendations:

1. Recommend that Council adopt the revised Code of Corporate Governance as set out in Appendix 1.
2. Recommend that Council delegates the authority to the Monitoring Officer to approve future amendments to the Code of Corporate Governance to reflect any updates made to the corporate systems, processes and documentation referenced within it.

1. Summary

1.1 This report seeks to:

- Set out the background to the review of the Code of Corporate Governance;
- Present a revised and updated Code of Corporate Governance for review; and
- Propose that the Monitoring Officer is given delegated authority to approve future amendments to the Code of Corporate Governance to reflect any updates made to the corporate systems, processes and documentation referenced within it.

2. Background

2.1 Corporate Governance is how local government bodies ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Councils operate through a governance framework that brings together an underlying set of legislative requirements, governance principles and management processes.

2.2 A central component of this is the Council's system of governance in the form of the Code of Corporate Governance. The Code of Corporate Governance is currently set out in part 8 of the Councils Constitution and is used to form the Annual Governance Statement each year.

2.3 The Council already has a range of measures to ensure that governance in the organisation is managed effectively and it works hard to ensure that these arrangements are robust and meet best practice. This is achieved through a range of policies, plans, procedures such as the Constitution (including codes of conduct for Members and employees), the Council Plan, the Medium-Term Financial Strategy and policies on whistle blowing, tackling fraud and corruption and managing risk.

2.4 The Code of Corporate Governance does not set out to list or replicate these. Instead, it provides a framework against which these can be assessed to ensure that the principles of the Code are being met, that there are systems and processes in place to measure their effectiveness and that gaps in policies, performance or assurance are identified and appropriate actions developed.

3. Current positions/findings

3.1 Following a review of the Code, it is proposed that a revised version is adopted by Council. Appendix 1 sets out the revised Code.

3.2 To ensure we meet best practice, the Code has been refreshed to reflect the guidance from the governance framework for local authorities 'Delivering Good Governance in Local Government: Framework' (CIPFA/Solace, 2016). The refresh has included:

- Adding in examples of how we seek to achieve the key principles of good governance.
- Providing evidence to how we are meeting each principle.
- Including a RAG rating for each principle, which will in the future, be aligned to the Annual Governance Statement.

4. Proposed action

- 4.1 If adopted, an annual review will take place on the Code through the Annual Governance Statement, which will be amended to reflect the new Code. Outcomes of the annual review and recommendations for improvement are reported back into this committee each year.

5. Other options

- 5.1 Council could seek to retain the current Code of Corporate Governance, however, this is not aligned to best practice as set out in the 'Delivering Good Governance in Local Government: Framework' (CIPFA/Solace, 2016).

6. Issues and risks

- 6.1 **Resource Implications** – Adequate and effective systems of corporate governance and assurance and an effective Audit Committee, are all central components in the processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity.
- 6.2 **Legal Implications** – The Accounts and Audit Regulations 2015 require a local authority to review at least once a year, the effectiveness of its system of internal control. This in turn informs the Annual Governance Statement which accompanies the Annual Statement of Accounts. The revised Code of Corporate Governance will need to be incorporated into the Council's Constitution, and will replace the existing 'code of corporate governance' set out in part 8, subject to Council approval.
- 6.3 **Equality Implications** – An effective Code of Corporate Governance will help ensure that we abide by and embrace Equality regulations within our ways of working.
- 6.4 **Environmental Impact** – None applicable to this report.
- 6.5 **Crime and Disorder** – This report is concerned with effective systems of governance and control, which are an important safeguard against the risks of theft, fraud and corruption.

6.6 **Risks** – This report also concerns the governance and assurance processes, a main purpose of which is to give assurance that risks are being managed appropriately by the business.

7. **Conclusion**

7.1 Good governance leads to good management, performance, public engagement, stewardship of public money and, through all this, good outcomes for residents and service users. Adopting the revised Code of Governance will continue to ensure that the Council embraces good governance.

8. **Recommendations**

1. Recommend that Council adopt the revised Code of Corporate Governance as set out in Appendix 1.
2. Recommend that Council delegates the authority to the Monitoring Officer to approve future amendments to the Code of Corporate Governance to reflect any updates made to the corporate systems, processes and documentation referenced within it.

Background papers:

CIPFA / SOLACE Publication: Delivering Good Governance in Local Government: Framework – April 2016 Edition