

Local Members' Interest
N/A

## Audit and Standards Committee – 27 June 2016

### Code of Corporate Governance

#### Recommendations

1. To note that following the publication of the CIPFA document entitled 'Delivering Good Governance in Local Government: Framework 2016' the current Code of Corporate Governance will need to be revised to reflect the new core principles.
2. To note the progress made on implementing the Corporate Governance Action Plan 2015/16 contained in **Appendix 1**.

#### Joint Report of the Director of Strategy, Governance & Change and the Director of Finance and Resources

#### Background

3. Previously the County Council has adopted a Code of Corporate Governance based upon the CIPFA/ SOLACE document entitled 'Delivering Good Governance in Local Government: Framework' issued in 2007. At the end of April 2016 a revised Framework was published together with guidance notes for English Authorities. The revised framework contains a number of key changes to the six core principles previously used to determine the County Council's governance arrangements. There are now seven principles within the 2016 framework and these are as follows:
  - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
  - Ensuring openness and comprehensive stakeholder engagement
  - Defining outcomes in terms of environmental benefits
  - Determining the interventions necessary to optimize the achievement of the intended outcomes.
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  - Managing risks and performance through robust internal controls and strong public financial management.
  - Implementing good practices in transparency, reporting and audit, to deliver effective accountability.
4. Contained within the detailed guidance notes which accompanies the revised 2016 framework are sub criteria for each of the seven core principles designed to assist authorities in:

- considering how they might go about reviewing their governance arrangements
  - developing and reviewing governance arrangements across the whole governance system including partnerships, shared services and alternative delivery vehicles
  - developing and updating their own local codes of governance
  - demonstrating compliance with principles of good governance
5. The existing Code of Corporate Governance will remain applicable during the period that the evaluation exercise is conducted. The 2016/17 Action Plan will be produced at this point.

### **Progress against the Action Plan 2015/16**

6. Progress against the Action Plan 2015/16 is reproduced at Appendix 1.

### **Equalities and Legal and Climate Change Implications**

7. There are no direct implications arising from this report.

### **Resource and Value for Money Implications**

8. Any new (significant) costs arising from Action Plans that cannot be contained within existing budgets will need to be considered within the Medium Term Financial Strategy (MTFS).

### **Risk Implications**

9. Good corporate governance is key to efficient and effective service delivery and will assist the Council in promoting its image with key stakeholders.

### **Report author**

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### **List of Background Documents:**

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

CIPFA Publication: Delivering Good Governance in Local Government: Guidance Note for English Authorities – 2016 Edition

**CORPORATE GOVERNANCE ACTION PLAN 2015/16**

<b>Action</b>	<b>SLT Lead</b>	<b>Progress</b>
Review high level governance arrangements to make sure they continue to be fit for purpose in light of the increasingly and integrated partnership and commissioning environment in which the County Council operates	Corporate Governance Working Group	This will form part of the revised Code of Corporate Governance as there is specific reference to the governance arrangements of key partnerships in the various forms, within the revised framework.  31 <sup>st</sup> December 2016
Review ICT Strategy	Director of Finance and Resources	The revised ICT Strategy has been drafted and will be issued for wider consultation by the end of June 2016, following which it will be formally signed off by the Senior Leadership Team.
Review Procurement Regulations and ensure consistency with commissioning intentions	Director of Finance and Resources	Currently in draft.
Review Financial Regulations	Director of Finance and Resources	At final draft stage ready for sign off by the Corporate Governance Working Group – 31 July 2016.
Review format and content of the Corporate Risk Register with specific reference to operational risks emanating from the Business Plan	Corporate Governance Working Group	Completed - The Strategic Risk Register was updated and reported to the Audit & Standards Committee in December 2015.
Review Risk Management Policy Statement	Corporate Governance Working Group	31 December 2016

Review process for communicating key governance documents	Corporate Governance Working Group	On-going – Following the production of the revised Code of Corporate Governance the updated details will be published via the intranet/ internet and an appropriate communication programme implemented.  31 March 2017
Review Corporate Property Strategy to include defining the role of the Strategic Property Partner	Director of Finance and Resources	In progress  30 September 2016
Review of compliance with Local Government Code of Transparency 2015	Director of Strategy, Governance and Change	Completed and reported to the Corporate Governance Working Group in May 2016.