



Signed off by	Monitoring Officer and Chief Finance Officer
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To	Audit Committee
Date	Wednesday, 6 December 2023

Key Decision Required	No
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Subject	Review of the Code of Corporate Governance
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Recommendations

To note the Code of Corporate Governance at Annex 1.

Executive Summary

Each local authority is required to develop and maintain a Code of Corporate Governance.

The Code of Corporate Governance sets out the principles of good governance and the arrangements in place to ensure that the Council conducts its business in accordance with the law and proper standards.

It provides assurance that the Council is meeting best practice in protecting its assets and serving the community.

The Code of Corporate Governance has been drafted in accordance with the principles set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance entitled 'Delivering Good Governance in Local Government'. In this guidance, seven core principles that should underpin the governance framework of a local authority are defined.

The Council is currently undertaking a review of its Constitution, which forms a fundamental part of the governance arrangements of the Council, and therefore directly affects the Code of Corporate Governance.

This report therefore recommends that the current Code of Corporate Governance be confirmed by the Audit Committee, rather than amend it, with a view to an interim update after the Constitution is reviewed to realign the Code with it.

The Audit Committee has authority to approve the above recommendations.
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Statutory Powers

1. The Council has statutory duties under section 5 of the Local Government and Housing Act 1989 ensuring lawfulness and fairness of decision making (the responsibility of the Monitoring Officer). Also, the proper administration of the Council's affairs under section 151 of the Local Government Act 1972 (the responsibility of the Section 151 officer).

Background

2. Each local authority is required to develop and maintain a [Code of Corporate Governance](#). The Committee agreed to adopt the current Code of Corporate Governance at its [meeting on 7th December 2022](#).
3. The Council is committed to reviewing the Code annually to ensure it is maintained.
4. The Council is required to prepare an Annual Governance Statement each year to report publicly on compliance with the Code and how the Council has met the requirements of the Accounts and Audit Regulations 2015. The annual review of governance will assess the level of compliance with the Code's governance principles.
5. The information set out in the framework within the Code demonstrates that the Council continually seeks to ensure it remains well governed. The Code confirms the Council's recognition that to deliver good governance it must always seek to achieve its objectives whilst acting in the public interest.

Key Information

Review of the Constitution

6. The Council is currently undertaking a review of its Constitution, which forms a fundamental part of the governance arrangements of the Council, and therefore directly affects the Code of Corporate Governance.
7. The current review of the Constitution is expected to be reported to the Full Council at its meeting on 28th March 2024 for consideration of the recommended changes.
8. The Monitoring Officer has reviewed the Code to ensure it still reflects the current governance arrangements of the Council, and considers that no updates are required to the current Code as it still reflects the current governance arrangements of the Council.
9. This report therefore recommends that the current Code of Corporate Governance be confirmed by the Audit Committee to ensure compliance with CIPFA guidance, rather than amend it, with a view to a further review after the Constitution is updated by the Council on 28th March 2024 to realign the Code with it, if required.

Options

10. **Option 1:** To resolve to confirm the current Code of Corporate Governance without changes, as under Annex 1. This is the recommended option, as the governance arrangements of the Council have not changed since the last review in December 2022.
11. **Option 2:** To consider the Code of Corporate Governance and suggest changes prior to approving the Code for adoption. This is not recommended as there may be a delay in the adoption of the Code.
12. **Option 3:** To reject the adoption of the current Code of Corporate Governance. This is not recommended as this would not comply with CIPFA guidance to review the Code annually.

Legal Implications

13. Corporate governance is the way in which the council directs and controls its arrangements to ensure that the intended outcomes for stakeholders are defined and achieved. A robust governance code provides assurance that the Council is meeting best practice in protecting its assets and serving the community.
14. Corporate governance is how the Council ensures it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
15. The Council has statutory duties to ensure proper governance of its members, officers, assets, services and decision making. Failure of the Council's corporate governance framework could result in unlawful decisions and conduct.

Financial Implications

16. The Council's Corporate Governance arrangements are critical to fulfilment of the Council's financial responsibilities.

Equalities Implications

17. There are no equalities implications.

Communication Implications

18. There are no communication implications.

Environmental Sustainability Implications

19. There are no environmental sustainability implications.

Risk Management Considerations

20. The Council has statutory duties to ensure proper governance. A breakdown in governance creates a range of serious risks, including legal, financial and reputational.

Other Implications

21. There are no other implications.

Consultation

22. The current Code of Corporate Governance was adopted by the Audit Committee at its meeting on 7th December 2022 following consultation with the Monitoring Officer, the Chief Finance Officer and the Head of Organisational Development and considered at a meeting of the Corporate Governance Group on 19 October 2022.

Background Papers

23. There are none.

Annexes

1. Code of Corporate Governance