



Signed off by	Head of Legal and Governance
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To	Audit Committee
Date	Thursday, 25 November 2021
Executive Member	Deputy Leader and Executive Member for Finance and Governance

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Update of the Code of Corporate Governance
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Recommendation
That the Code of Corporate Governance be amended to reflect minor updates to the evidence for all six principles and to reflect the need for the Committee to review the Code annually.
Reasons for Recommendations
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.
Executive Summary
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 Committee agreed to adopt an updated Code in November 2020. The Code is to be reviewed annually. During this year's review, a number of minor changes were put forward at the Governance Task Group. The code is therefore recommended for update by the Committee. The updated draft Code is attached at annex 1 with the updates listed in annex 2.

The Audit Committee has authority to approve the above recommendations.

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 26 November 2020.
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 Process

6. The Code was reviewed by officers at the Corporate Governance Group on 7 September 2021. Several minor changes were recommended.
7. The Governance Task Group considered the amended Code at its meeting on 14 September 2021. The Group recommended several changes and updates to ensure all relevant evidence had been captured and that the Audit Committee would review the Code annually. The Group agreed to recommend the amended Code for adoption to the Audit Committee.

Options

8. **Option 1:** To approve the adoption of the updated Code of Corporate Governance as attached in annex 1. This is the recommended option.

9. **Option 2:** To consider the updated 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 if the suggested changes are such that the Committee needs to consider the adoption of a newly drafted Code at a future meeting.
10. **Option 3:** To reject the adoption of the updated Code of Corporate Governance. This is not recommended as the Code would not be up to date and would not properly reflect the work the Council does to ensure good governance.

Legal Implications

11. 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.
12. 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.
13. 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

14. There are no financial implications.

Equalities Implications

15. There are no equalities implications.

Communication Implications

16. There are no communication implications.

Environmental Sustainability Implications

17. There are no environmental sustainability implications.

Risk Management Considerations

18. 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

19. There are no other implications.

Consultation

20. The draft Code of Corporate Governance has been drawn up in consultation with the Monitoring Officer, the Head of Finance and the Head of Organisational Development and considered at a meeting of the Corporate Governance Group. Following that, the Governance Task Group has reviewed the draft updated Code and suggested changes which have been incorporated into the attached Code.

Background Powers

There are none.