

Agenda Item

REPORT OF Service Improvement Officer

To: Audit & Governance Committee

Subject: Code of Governance

Date: 5th December 2017

Reference:

PURPOSE OF REPORT:

It is necessary for the Council to carry out an annual review its Corporate Governance arrangements. A revised Code of Governance is attached for consideration.

1. INTRODUCTION

Regulation 4 of the Accounts and Audit Regulations (2011) requires the Council to conduct a review at least once a year of the effectiveness of its Annual Governance Statement.

The Annual Governance Statement refers to a Code of Corporate Governance, and the revised Code is at Appendix A.

2. REPORT

The Code of Corporate Governance is derived from work undertaken by the Independent Commission on Good Governance in Public Service – a commission set up by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Office for Public Management. The Commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA/SOLACE (2001). The Commission identified six core principles which were published in 2004, in a publication entitled '*The Good Governance Standard for Public Services*'. A revised Framework was developed by the CIPFA/SOLACE Joint working Group on Good Governance in Local Government in 2015 and the group's conclusions are set out in *Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016*. The revised framework has seven core principles which emphasise the importance of considering the longer term and the links between governance and public financial management – all key considerations for local authorities in today's climate.

The seven core principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

The Council strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Members and Senior Officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and stewardship of the resources at its disposal. This Code of Corporate Governance describes what the Council will do to meet each of the key principles of good governance

3. IMPLICATIONS

Legal Implications

There is a legal requirement as part of approval of the annual statement of accounts.

Financial Implications

None

Human Resources Implications

None

Sustainability/Biodiversity Implications

N/A

Equality/Diversity

An Equality Impact Assessment was prepared for the original Code of Governance.

Risk Management

There is a reputational risk to the Council if it does not comply with its Code of Governance and this must be kept up to date. There is an underlying risk that governance arrangements are not implemented, monitored and reviewed in accordance with best practise.

Compliance with Policies and Strategies

Approval and adoption of the Code of Governance is a key aspect of demonstrating that Torridge District Council has a formal and established response to the Corporate Governance requirements.

Ward Member and Leader Member Views

The Chair of the Audit & Governance Committee said "Each year the Committee scrutinises the Council's governance arrangements. The core principles provided by CIPFA/SOLACE help us to focus on the key areas which need to be covered to ensure we carry out our business within an open and robust governance framework."

4. CONCLUSIONS

5. RECOMMENDATIONS

It is recommended that the revised Code of Corporate Governance be approved.

SUPPORTING INFORMATION

Consultations:	Officers Consulted - SMT Members Consulted – Councillor Philip Hackett
Contact Officer:	Chris Dobbs
Background Papers:	The CIPFA/SOLACE: 'Delivering Good Governance in Local Government Framework', produced jointly in 2007 The CIPFA/SOLACE: 'Delivering Good Governance Addendum', produced jointly in 2012 The CIPFA/SOLACE: Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016. Torridge AGS Evidence Database