

**REPORT TO THE GOVERNANCE & AUDIT COMMITTEE
MEETING ON 24 JULY 2019**

Status: Information
Title: Update on the Review of the Local Code of Governance
Originator: Verina Wenham – Head of Legal and Democratic Services and Monitoring Officer
Where from:
Where to next: N/A

1 Outcome Sought from Committee

1.1 The Committee is requested to consider the update on the Code of Local Governance which was adopted in 2018 and specifically the progress in relation to the Action Plan developed as a result of the adoption.

2 Background

2.1 At its meeting on 8 March 2017 the Governance and Audit Committee adopted a Local Code of Governance for the financial year 2017/18. Prior to this date the adoption of a Local Code was seen as best practice, but following revised CIPFA guidance issued in 2016 the adoption of a Code became a legal requirement for 2017/18.

As part of the Internal Audit work plan for 2017/18 the Code was reviewed and further updated to ensure that it remains consistent with the seven principles of good governance set out in the CIPFA/SOLACE framework document “Delivering Good Governance in Local Government Framework 2016 Edition A.

2.2 The key focus is on governance processes and structures focussing on the attainment of sustainable economic, societal and environmental outcomes.

2.3 The CIPFA/SOLACE Framework 2016 now has a revised set of principles (A-G) taken from the “International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)”:

A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the role 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 optimize 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;

G – Implementing good practices in transparency, reporting and audit to deliver effective accountability;

The International Framework notes that principles A and B permeate implementation of principles C to G.

2.4 It is best practice for a Local Authority to have a code that reflects these principles and be committed to improving governance on a continuing basis through a process of evaluation and review.

2.5 Accordingly the Local Code of Governance that was adopted 2017 was as reviewed by the Head of Internal Audit in consultation with the Monitoring Officer and the Corporate Management Team and a revised Code was adopted by the Governance and Audit Committee on 24 July 2018,

3 Points for Consideration

3.1 The production of a Local Code of Governance which had previously been considered good practice; is now a legal requirement and the current Code was adopted on 25 July 2018.

3.2 An Action Plan has subsequently been produced by the Monitoring Officer in consultation with the Head of Internal Audit, a copy of which is attached as Appendix A. The Action Plan is a mechanism to ensure that there is appropriate monitoring and on going review of the Code, and has been updated to record progress to date.

4 Equality Impact Assessment

- 4.1 When taking into account the Public Sector Equality Duty, the Local Code of Governance supports the main aims of the duty. There are no specific equalities issues identified for protected or vulnerable groups. Improvements to communications and consultation processes will enhance existing procedures.

5 Conclusions

- 5.1 It is recommended that the Committee consider the update on the Code of Local Governance and notes the progress in relation to the Action Plan developed following adoption.
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Previous report(s): 8 March 2018

Information Issued Under Sensitive Issue Procedure: Y/N

Ward Members Notified: Y/N

Appendices: *list any appendices here including title and filename in brackets (e.g. Performance Data 2010 (perfdata.doc)).*

A. Action Plan