

Joint Audit and Governance Committee



Report of Head of Finance

Author: Steven Corrigan

Telephone: 07717 274704

E-mail: steven.corrigan@southandvale.gov.uk

Date: 15 April 2024

Local Code of Corporate Governance

Recommendation

That the committee recommends the revised local code of corporate governance for adoption by each Council for inclusion in the councils' constitution.

Purpose of Report

1. To consider a proposed new local code of corporate governance and recommend its adoption by each council.

Strategic Objectives

2. The adoption of a revised Local Code of Corporate Governance supports the following strategic objectives:
 - Openness and accountability in South Oxfordshire
 - Working in an open and inclusive way in the Vale of White Horse

Background

3. The councils are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. To this end members and senior officers are responsible for ensuring that proper arrangements exist for the governance of the councils' affairs and stewardship of its resources.
4. The Annual Governance Statement is based on a Local Code of Good Governance which forms part of the councils' constitution. As the Annual Governance Statement is

a statutory requirement, the councils are required to take account of any revised guidance.

5. Currently, the councils have a Local Code of Corporate Governance which is based on guidance in the CIPFA/SOLACE Framework for Corporate Governance. In 2016 CIPFA/SOLACE carried out a review of the Framework for Corporate Governance 2007 (as amended by the 2012 addendum). As a result, in April 2016 CIPFA/SOLACE published a new framework document “Delivering Good Governance in Local Government Framework 2016 Edition” with the key focus of governance processes and structures centring on the attainment of sustainable economic, societal and environmental outcomes. This year’s Annual Governance Statement recognised that a redrafted code would be brought forward to reflect the updated CIPFA guidance.
6. The attached draft local code of corporate governance (Appendix 1) is intended to replace the out-of-date protocol in the councils’ constitution and reflects updated CIPFA guidance which outlines the following seven principles:
 - 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 sustainable, economic, social and environmental benefits
 - Determining the interventions necessary to optimize the achievement of the intended outcomes
 - Developing the Council’s capacity, including the capability of its leadership and the individuals within it
 - Managing risks and performance through robust internal control and strong public financial management
 - Implementing good practices in transparency, reporting and audit, to deliver accountability
7. The revised local code of corporate governance provides further levels of detail on which the council can monitor its progress against each of the seven principles and demonstrates how the councils’ internal processes and governance framework support the delivery of those principles. The committee is requested to review the document to ensure members are satisfied it accurately reflects the councils’ governance arrangements in meeting the core principles set out above.
8. The draft has been considered by the Constitution Review Working Group and where appropriate updated in response to members’ views.
9. It is proposed that progress on delivery against the code is reviewed by officers and that this informs the future development of the Annual Governance Statement for consideration by this committee.

Financial Implications

10. The Annual Governance Statement is approved alongside the Annual Statement of Accounts. The Local Code of Corporate Governance provides the basis for assurance on managing risks and performance through internal control and strong public financial management.

Legal Implications

11. The preparation and publication of a local Code of Corporate Governance is in accordance with guidance set out in Delivering Good Governance in Local Government (CIPFA/SOLACE, 2016) and Good Governance in the Public Sector (CIPFA/IFAC, 2014).

Climate and ecological impact implications

12. There are no direct implications arising from this report. However, the proposed Local Code of Corporate Governance provides the basis for assurance on defining outcomes in terms of sustainable, economic, social and environmental benefits.

Equalities implications

13. The proposed Local Code of Corporate Governance includes an acknowledgment of the importance of equality matters and how they are addressed.

Risks

14. An effective Corporate Governance framework demonstrates good governance to the public and stakeholders. The revised Local Code of Corporate Governance demonstrates how the councils will achieve this.

Conclusion

15. The committee is asked to endorse the revised Code and recommend it to each Council for adoption and inclusion in the councils' constitution.

Background Papers:

CIPFA/Solace Delivering Good Governance in Local Government: Framework 2016