



## AUDIT AND GOVERNANCE COMMITTEE

Monday, 14 December 2020

### CODE OF CORPORATE GOVERNANCE

#### EXECUTIVE SUMMARY

1. CIPFA recommend an annual review of the Code of Corporate Governance, as directed in the CIPFA/SOLACE 2016 publication "Delivering Good Governance in Local Government". The Code of Corporate Governance was last reviewed in July 2018.
2. The main body of the Code remains unchanged, but the evidence attached has been refreshed to capture current frameworks and processes in operation. The refreshed list is attached as Appendix A for consideration by the Audit and Governance Committee; this falls within the Committee's terms of reference: 'To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances'

Is the report Open or Exempt?	Open
<b>Wards Affected:</b>	All
<b>Cabinet Member:</b>	Councillor Maurice Cook Cabinet Member with responsibility for Resources
<b>Supporting Officer:</b>	Mrs Siobhan Martin Head of Internal Audit 01394 444254 <a href="mailto:siobhan.martin@eastsoffolk.gov.uk">siobhan.martin@eastsoffolk.gov.uk</a>

# 1 INTRODUCTION

- 1.1 Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which such bodies are directed and controlled and through which they account to, engage with, where appropriate, lead their communities.
- 1.2 The Council strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Members and officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal.
- 1.3 All local authorities were strongly recommended to adopt a Code of Corporate Governance ("the Code") by 31 March 2002, which this Council adopted. The Code was based on a CIPFA/SOLACE framework set in 2001. This framework was supplemented by the Office of the Deputy Prime Minister (ODPM) and CIPFA publication entitled "The Good Governance Standard for Public Services".
- 1.4 This Code has been refreshed regularly since 2005 and again most recently in July 2018, each time following the introduction of key national changes e.g. the Localism Act.
- 1.5 The concept underpinning the ideal of corporate governance is to help local government to take responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards, in a measured and proportionate way. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to principles; that there is sound and inclusive decision making; and that there is clear accountability for the use of those resources, in order to achieve desired outcomes for service users and communities.
- 1.6 CIPFA recommends an annual review of the Code of Corporate Governance. There have been no additional publications to consider since the Code was last refreshed in July 2018, and reported to the Audit and Governance Committee, ie incorporation of recommended changes in the publication entitled Delivering Good Governance in Local Government (CIPFA/SOLACE 2016) and features listed in The International Framework: Good Governance in the Public Sector (CIPFA/IFAC).
- 1.7 Fundamental to the Code are seven core principles. The seven core principles are:
  - A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting 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. Development the Partnership'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.

1.8 Each of the seven core principles has a number of sub principles, which in turn, translate into a range of specific behaviours and actions that apply across the various aspects of the Partnership's business and demonstrates good governance.

1.9 The Code will facilitate the Council's review of its corporate governance arrangements (incorporating a list of corporate evidence) for the purposes of the Annual Governance Statement.

1.10 Attached to this report is an updated Code of Corporate Governance.

## **2 MONITORING AND REVIEW**

2.1 Having adopted a Code of Corporate Governance, the Council needs to ensure:

- a. that the principles and practices in it are adhered to, and
- b. that it is periodically reviewed, to provide assurance that governance arrangements are adequate, operating effectively and to identify action for improvement which will develop and shape governance within the Partnership.

2.2 The outcome of the review is incorporated within the Governance Statement prepared on behalf of the Leader of the Council and Chief Executive and will be submitted to the Cabinet for consideration and review along with full Council..

## **3 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?**

3.1 Good governance is an essential feature of how East Suffolk is accountable for the public purse and therefore every element of the East Suffolk Strategic Plan is delivered with the Code of Corporate Governance explicitly applied.

## **4 FINANCIAL AND GOVERNANCE IMPLICATIONS**

4.1 The Code of Corporate Governance is the keystone to demonstrating how the Council embodies and delivers governance.

## **5 OTHER KEY ISSUES**

5.1 This report does not require an Equality Impact Assessment, a Sustainability Impact Assessment or a Partnership Impact Assessment.

## **6 CONSULTATION**

6.1 The Cabinet Member with responsibility for Resources and the Senior Management Team have been consulted on the content of this report.

## **7 OTHER OPTIONS CONSIDERED**

7.1 No further options have been considered.

## 8 REASON FOR RECOMMENDATION

- 8.1 By reviewing and considering the revised Code in accordance with best practice the Audit and Governance Committee will fulfil its responsibility within its terms of reference.

### RECOMMENDATION

That the Audit and Governance Committee comments upon the refreshed Code of Corporate Governance and recommends to Full Council that it adopts the revised Code of Corporate Governance attached at Appendix A to this report.

### APPENDICES

<b>Appendix A</b>	Code of Corporate Governance
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### BACKGROUND PAPERS

Date	Type	Available From
2014	The International Framework: Good Governance in the Public Sector (CIPFA/IFAC)	Head of Internal Audit <a href="mailto:siobhan.martin@eastsoffolk.gov.uk">siobhan.martin@eastsoffolk.gov.uk</a>
May 2016	CIPFA/SOLACE “Delivering Good Governance in Local Government” (2016).	Head of Internal Audit <a href="mailto:siobhan.martin@eastsoffolk.gov.uk">siobhan.martin@eastsoffolk.gov.uk</a>