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| REPORT TO: | AUDIT SUB-COMMITTEE | AGENDA ITEM: 9 |
| DATE OF MEETING: | 18TH DECEMBER 2013 | CATEGORY: DELEGATED |
| REPORT FROM: | MONITORING OFFICER | OPEN |
| MEMBERS' CONTACT POINT: | ARDIP KAUR (01283 595715) Ardip.kaur@south-derbys.gov.uk | DOC: u/ks/governance/local code/Dec 12/update report Dec 12 |
| SUBJECT: | LOCAL CODE OF CORPORATE GOVERNANCE – REVIEW OF WORK PLAN 2013/14 | REF: |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: AS 04 |

1.0 Recommendation

- 1.1 That progress on the Action Plan for 2013/14 is considered and noted.

2.0 Purpose of Report

- 2.1 To review progress associated with updating and strengthening the Council's Corporate Governance arrangements as set out in the approved work plan. This plan was approved by the Committee in June 2013 and in accordance with Council policy, this report provides a six monthly update.

3.0 Detail

- 3.1 The current Local Code of Corporate Governance was adopted by the Council in 2008. It is based on a best practice document and principles which were founded by the professional organisations SOLACE and CIPFA. The local code provides evidence of how the Council has fulfilled or intends to fulfil its commitment to corporate governance.
- 3.2 Under its terms of reference, the Committee is required to review progress in relation to compliance against six core principles on which the Code is based. These principles and the local work plan are a fundamental part of the Council's Annual Governance Statement; this is subject to External Audit review as part of the annual accounts process.

What is Corporate Governance?

- 3.3 Corporate Governance is the system by which a Council directs and controls its functions and relates to its community. Good Corporate Governance is essential in demonstrating there is credibility and confidence in the public services provided. Sound arrangements are founded upon openness,

integrity and accountability, together with the over-arching concept of leadership.

The Purpose of the Local Code of Governance

3.4 The Local Code of Governance is a single document that aims:

- To serve as a framework for reviewing and monitoring existing Corporate Governance arrangements.
- To ensure that evidence about governance arrangements is available and to fulfil statutory commitments required in the Annual Governance Statement.
- To help develop plans for improving arrangements for Corporate Governance

How Governance Arrangements are Measured

3.5 The local code is based on six core principles:

1. Focusing on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area.
2. Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
3. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
5. Developing the capacity and capability of Members and Officers to be effective.
6. Engaging with local people and other stakeholders to ensure robust public accountability.

3.6 The Council's Governance arrangements are overseen by a corporate group of senior officers consisting of

- Legal and Democratic Services Officer (Monitoring Officer)
- Director of Finance and Corporate Services
- Director of Community and Planning Services
- Policy & Communications Manager

3.7 On an on-going basis, this group monitors and reviews a detailed self-assessment. This is effectively a checklist which assesses the documents and processes, together with any other means used to measure compliance

with the six supporting principles. This is reported in detail to the Committee in June and is considered as part of the Annual Governance Statement.

3.8 This assessment may identify internal factors and new external requirements that need to be addressed to ensure that the Council maintains effective governance arrangements.

3.9 This is then formulated into an annual work plan that aims to meet any new requirements or identified areas of risk. The work plan approved for 2013/14 with progress is set out in **Appendix 1**. This shows that all actions are on track or have been completed as planned.

4.0 Financial Implications

4.1 None.

5.0 Corporate Implications

5.1 The Code covers all of the Council's activities and compliance with it affects all services.

5.2 The self assessment process is an important element in ensuring that the Council reviews its Local Code of Corporate Governance in order to continue to adhere to the six core principles.

6.0 Community Implications

6.1 A key aim of the authority is community leadership, which is concerned with the style and manner in which the Council operates and how it relates to local people and partners. One important aspect included in this aim are the policies and arrangements for corporate governance.

7.0 Background Papers

- CIPFA/SOLACE publication "*Delivery Good Governance in Local Government*".