
REPORT TO:	AUDIT SUB-COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	15th JUNE 2016	CATEGORY: DELEGATED
REPORT FROM:	LEGAL & DEMOCRATIC SERVICES MANAGER and MONITORING OFFICER	OPEN
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SUBJECT:	LOCAL CODE OF CORPORATE GOVERNANCE – ANNUAL REVIEW 2015/16	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: AS 04

1.0 Recommendation

- 1.1 That the annual assessment of the Council's Local Code of Corporate Governance for 2015/16 is approved.
- 1.2 That the completion of the work plan to strengthen the Council's governance arrangements in 2015/16 is noted.

2.0 Purpose of Report

- 2.1 To provide an annual assessment against the Council's Local Code of Corporate Governance, together with progress on the work plan contained in the statutory Governance Statement for 2015/16.

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 compliance against six core principles on which the Code is based. These principles and the local action plan are 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 management tool 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 detailed assessment for 2015/16 is detailed in **Appendix 2**. There are no major changes from the previous year; it is considered that the Council continues to have sound and adequate arrangements in place that meet the requirements of good corporate governance.

- 3.7 Generally, all areas are rated highly with any outstanding matters highlighted with an appropriate action point. The Committee are requested to broadly review Appendix 2 to satisfy itself that it generally accords with its view of the Council's arrangements.

Work Plan 2015/16

- 3.8 Actions identified in the Council's Annual Governance Statement for 2014/15 were completed in 2015/16. These are detailed in **Appendix 1**.

Work Plan 2016/17

- 3.9 The proposed work plan for 2016/17 is set out in the Annual Governance Statement which is subject to a separate report on this Committee's Agenda.

Updates to the Code

- 3.10 The current governance framework has existed in local government since 2006/07. This has recently been reviewed by CIPFA/SOLACE and an updated framework has been published. This will be effective from the financial year 2016/17.
- 3.11 The core principles and sub principles included in the revised framework are taken from an International framework: *Good Governance in the Public Sector*. From 2016/17, each council will need to demonstrate its governance structures comply with the revised framework and maintain a local code of governance. There will still be an annual requirement to publish an AGS.
- 3.12 The new framework will be considered and the implications for the Council will be reported to this Committee later in the year, 2016/17. It is not anticipated that any significant changes will be required to the Council's underlying structures and it should not affect the proposed work plan to strengthen those arrangements in 2016/17,

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 keeps under review its Local Code of Corporate Governance in order to continue to maintain the six core principles.

6.0 Community Implications

6.1 A key aim of the Council 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 is the policies and arrangements for corporate governance.

7.0 Background Papers

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