

Audit and Standards Committee - 26th September 2022

Report of the Director of Finance and Legal

Review of the Code of Corporate Governance

Purpose of the Report

1. To inform Members of the results of a review of the Code of Corporate Governance.
2. To ask Members to approve a revised Code of Corporate Governance.

Recommendations

3. That Members note the content of this report and approve the revised Code of Corporate Governance.
4. That Members authorise the Director of Finance and Legal to undertake the necessary action to incorporate the revised Code into the Constitution.

Background

5. The Audit and Standards Committee has responsibility for corporate governance and the review of the local code of corporate governance.
6. The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) produce the framework and guidance for reviewing governance: "Delivering Good Governance in Local Government 2016". The framework and guidance is broken down into seven principles:

- Behaving with integrity, demonstrating strong commitment to ethical values,
- Ensuring openness and comprehensive stakeholder engagement,
- Defining outcomes in terms of sustainable economic, social and environmental benefits,
- Determining the interventions necessary to optimise the achievement of the intended outcomes,
- Developing the entity's capacity, including the capability of its leadership and the individuals within it,
- Managing the risks and performance through robust internal controls and strong public financial management,
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

7. The overall aim of the Framework is to ensure:

- Resources are directed in accordance with agreed policy and according to priorities,
- There is a sound and inclusive decision making,
- There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

8. Local authorities are encouraged to review their existing governance arrangements against the principles and sub-principles for good governance detailed within the Framework and accompanying guidance. The Framework is not intended to be prescriptive and authorities are requested to consider the contents of the Framework in a way that reflects their structure, type, functions and size.

9. A change has been made to the format of the Code of Corporate Governance, instead of detailing the council's governance arrangements by the key principles listed above it has been broken down by governance area. By breaking down the council's governance arrangements by governance area, it makes it easier to read and understand and quicker to update. Each governance area has been reviewed and updated by the designated responsible Senior Manager.

10. The draft Code of Corporate Governance was discussed and agreed with Strategic Executive Board.

11. There are issues to be addressed with the council's governance framework, but most of these are recognised or have previously been raised in internal audit reports.

Finance

12. There are no direct financial implications arising from this report.

Law

13. There is no statutory requirement for the council to produce a Code of Corporate Governance but it is considered best practice.

Risk Management

14. The proposals contained in this report do not create any "material" risks.

Equality Impact

15. The adoption of a Code of Corporate Governance is one part of the council's commitment to fair treatment for all including children and young people. There are no equality impacts.
16. Children and young people were not consulted on or involved with the preparation of this report.

Human Resources/Organisational Development

17. There are no human resources/organisational development implications arising from this report.

Commercial/Procurement

18. There are no commercial/procurement considerations relating to this report.

Council Priorities and Projects

19. An effective framework of governance, risk management and internal control will greatly assist the council in achieving its priorities.



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List of Background Papers

Appendix A: Code of Corporate Governance

CIPFA/SOLACE Delivering Good Governance in Local Government
Framework and Guidance Notes