

GOVERNANCE COMMITTEE

18 SEPTEMBER 2018

REPORT OF MONITORING OFFICER

LOCAL CODE OF CORPORATE GOVERNANCE

1.0 PURPOSE OF REPORT

- 1.1 This report explains the requirements for the Council to produce a Local Code of Corporate Governance and current governance arrangements in line with the revised Code.

2.0 RECOMMENDATIONS

- 2.1 **That the Committee comments on and approves the revised Local Code of Corporate Governance drafted as a result of a recent review as set out in Appendix A to this report.**

3.0 KEY ISSUES

- 3.1 At its meeting in April 2017 the Governance Committee adopted a Local Code of Governance for the financial year 2017/18. Prior to this date the adoption of a Local Code was seen as best practice, but following revised CIPFA guidance issued in 2016 the adoption of a Code became a legal requirement for 2017/18. As part of the Internal Audit work plan for 2017/18 the Code has been reviewed and further updated to ensure that it remains consistent with the seven principles of good governance set out in the CIPFA/SOLACE framework document “Delivering Good Governance in Local Government Framework 2016 Edition A.
- 3.2 The key focus is on governance processes and structures focussing on the attainment of sustainable economic, societal and environmental outcomes.
- 3.3 The CIPFA/SOLACE Framework 2016 now has a revised set of principles (AG) taken from the “International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)”:

A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the role 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 optimize the achievement of the intended outcomes;

E – Developing the entity’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;

- 3.4 It is best practice for a Local Authority to have a code that reflects these principles and be committed to improving governance on a continuing basis through a process of evaluation and review.
- 3.5 Accordingly the Local Code of Governance that was adopted in 2017 has been reviewed by the Head of Internal Audit in consultation with the Monitoring Officer and the Management Team, to ensure that it reflects the current governance arrangements of the council and complies with the CIPFA/SOLACE Framework 2016 edition.
- 3.6 The Council will also be producing an Action Plan to ensure that there is appropriate monitoring and on going review of the Code. This will also be reported to the Committee during the municipal year 2018/19.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Corporate Priorities

The ongoing arrangements to ensure good governance are a vital component in ensuring that Melton Borough Council is well managed.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are no particular financial implications.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 The production of a Local Code of Governance which had previously been considered good practice; is now a legal requirement. The Council adopted the current Code in 2017, however, further work has been carried out to ensure that the Code not only reflects good governance practice, but is easy to understand.

7.0 COMMUNITY SAFETY

7.1 There are no specific community safety aspects to this report.

8.0 EQUALITIES

8.1 When taking into account the Public Sector Equality Duty, the Local Code of Governance supports the main aims of the duty. There are no specific equalities issues identified for protected or vulnerable groups. Improvements to communications and consultation processes will enhance existing procedures.

9.0 RISKS

9.1

L I K E L I H O O D	A	Very High				
	B	High				
	C	Significant				
	D	Low		1		
	E	Very Low				
	F	Almost Impossible				
			Negligible 1	Marginal 2	Critical 3	Catastrophic 4

IMPACT

Risk No	Risk Description
1	Non-compliance with these requirements could affect the reputation and performance of the Council

10.0 CLIMATE CHANGE

10.1 There are no specific climate change implications relating to this report.

11.0 CONSULTATION

11.1 Senior management has been consulted as part of the drafting process of the Code.

12.0 WARDS AFFECTED

12.1 All wards are affected by this report.

Contact Officer: Adele Wylie, Monitoring Officer
Date: September 2018

Appendices: Appendix A – Code of Corporate Governance

Background Papers: None other than referred to in the report

Reference: