

Bath & North East Somerset Council

MEETING:	Corporate Audit Committee	
MEETING DATE:	12th September 2017	AGENDA ITEM NUMBER
TITLE:	Local Code of Corporate Governance	EXECUTIVE FORWARD PLAN REFERENCE: E
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Draft Local Code of Corporate Governance		

1 THE ISSUE

- 1.1 The Audit Committee has specific terms of reference given to it from Full Council and as such is required to consider the Annual Governance Statement and the framework which supports it which includes primarily the local code of corporate governance. Following revised guidance by CIPFA/SOLACE a refreshed code is attached at Appendix 1 for recommendation on to full Council.

2 RECOMMENDATION

- 2.1 That the Audit Committee recommends the revised local code of corporate governance for adoption by full Council at its next formal review of the Constitution.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications from this report.

4 THE REPORT

- 4.1 The Annual Governance Statement is based on a 'Local Code of Corporate Governance' which forms part of the Council's Constitution.
- 4.2 As the Annual Governance Statement is statutory we are required to take account of any revised guidance and during the year CIPFA/SOLACE have updated and refreshed their guidance and the requirements of a local code.
- 4.3 This guidance is used by the External Auditor in their audit of the accounts and we are therefore required to take account of these changes.
- 4.4 *Delivering Good Governance in Local Government; Framework*, published by CIPFA in association with SOLACE, sets the standard for local authority

governance in the UK. The concept underpinning the framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities
- There is 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

4.5 Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal, and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

4.6 Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.

4.7 The new code is based on the following key principles of good governance –

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

4.8 The supporting table provides further detail for each of the key principles to describe expectations and will be used as part of the Annual Governance Review each year. It is expected therefore to present a more concise Annual Governance Statement in future with supporting evidence presented separately.

4.9 The Committee is asked to endorse the revised Code and recommend on to full Council for adoption at the next review of the constitution.

5 RISK MANAGEMENT

5.1 An effective Corporate Governance framework demonstrates good governance to the public and stakeholders at large. This helps to ensure that the Council is transparent about the delivery of its functions and how it attempts to deliver good value to its residents from its services

6. EQUALITIES

6.1 A proportionate equalities impact assessment has been carried out using corporate guidelines, no significant issues to report.

7 CONSULTATION

7.1 Initial Consultation has been carried out and will continue with Statutory Officers.

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Background papers	
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