

Audit Committee

Report Title:	Code of Corporate Governance
Meeting Date:	13 July 2016
Lead Councillor(s):	Councillor Michael Bond
Local Councillor(s):	All
Director:	Geoff Dobson, Director of Resource Management
Assistant Director or Head of Service:	Tim Ryder, Assistant Director (Scrutiny & Monitoring)
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Brief summary of report

1. The County Council has made a commitment to good governance – doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
2. The Code of Corporate Governance is included within Part 4 of the Constitution. The Code was last updated in May 2011.
3. The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) have recently updated the Framework on Delivering Good Governance in Local Government. In the light of this revised Framework, amendments to the Council's Code of Corporate Governance are proposed.

Action recommended

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| 4. The Committee is asked to recommend adoption of the revised Code of Corporate Governance (Appendix B) to Council. |
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Reason for recommendation

5. The Framework produced by CIPFA/SOLACE on delivering good governance in local government has been revised. This is an opportune time for the County Council to review its own Code of Corporate Governance to ensure that it meets best practice.

Alternative options

6. The Committee could propose alternative wording for the Code of Corporate Governance.

Who will be affected by this decision?

7. All councillors, officers and residents of Suffolk.

Main body of report

8. The Committee will be aware that the Accounts and Audit Regulations 2015 (the Regulations) require a local authority to conduct a review, at least once in a year, of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts. The Annual Governance Statement (AGS) fulfils that requirement, and the Regulations stipulate that the AGS should be prepared in accordance with the Delivering Good Governance in Local Government: Framework published by CIPFA/SOLACE.
9. CIPFA/SOLACE have updated the Framework to reflect the environment within which a local authority now operates. Local government structures and responsibilities are developing and local authorities have a responsibility to ensure that they meet the highest standards and that governance arrangements are not only sound but are seen to be sound.
10. The Framework is attached to this report as Appendix A. Page 11 of the Framework includes a diagram illustrating the various principles of good governance in the public sector and how those principles relate to each other. Those principles are then further expanded in the subsequent pages.
11. The Framework makes it clear that it is for each local authority to:
 - a) set out its commitment to the principles of good governance included in the Framework
 - b) determine its own governance structure, or local code, underpinned by these principles
 - c) ensure that it operates effectively in practice.
12. It is suggested that the core governance principles of the Council are:
 - a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule 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 optimise the achievement of the intended outcomes;
 - e) Developing the Council's capacity, including the capability of its leadership and the individuals within it; and
 - f) Managing risks and performance through robust internal control and strong public financial management.

13. A revised Code of Corporate Governance is attached as Appendix B. The proposed amendments are shown as tracked changes. As well as the revised principles, the opportunity has also been taken to make other more minor changes which reflect current structures and services.
14. It is not proposed that the Council's Code of Corporate Governance includes all of the sub-principles detailed in the Framework. However, these will form part of the evaluation that takes place in preparation of the AGS each year. There are also extensive Guidance Notes available, highlighting best practice around the country, that can be used in the annual review.

Conclusion

15. In order to continue to demonstrate the Council's firm commitment to sound corporate governance, the Committee is asked to recommend adoption of the revised Code to Council.

Sources of further information

- a) County Council Code of Corporate Governance:
https://www.suffolk.gov.uk/assets/suffolk.gov.uk/Your%20Council/Councillors/Constitution/2013-03-27%20Constitution%20PART%204_4.pdf
- b) CIPFA/SOLACE – Delivering Good Governance in Local Government Framework (2016 Edition)

