

CODE OF CORPORATE GOVERNANCE

Governance and Audit Committee - 6 March 2018

Report Author	Director of Corporate Governance and Monitoring Officer
Portfolio Holder	Councillor Derek Crow-Brown - Cabinet Member for Corporate Governance
Status	For Decision
Classification:	Unrestricted
Ward:	All

Executive Summary:

This report recommends the adoption of a revised Code of Corporate Governance and explains changes to the assurance arrangements.

Recommendation(s):

The Committee adopt the revised Code of Corporate Governance

CORPORATE IMPLICATIONS

Financial and Value for Money	There are no direct financial implications from the adoption of this revised Code.
Legal	The Accounts and Audit Regulations 2015 require the Council, every financial year to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement
Corporate	This report relates to a statutory and audit requirement and supports the development of an effective and efficient council.
Equality Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p>

	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	✓
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓
	Foster good relations between people who share a protected characteristic and people who do not share it.	✓
	Engaging local communities including hard to reach groups meets a core principle of the CIPFA/ SOLACE guidance.	

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	✓
Promoting open communications	✓

1.0 Introduction and Background

The CIPFA/SOLACE Good Governance Framework for Local Government 2016 (the Framework) advises local authorities to adopt a Local Code to evidence that its governance structures comply with the Framework. The Local Code should:

- link to the principles in the Framework;
- say what arrangements we have in place;
- be short and readable and
- be kept up to date.

In short, the Local Code should explain how we as an authority put the Framework and its principles into practice.

2.0 Revised Code and Assurance Arrangements

The revised Local Code in appendix 1 follows the guidance and is recommended for adoption.

At the same time, I am recommending a change in the way we obtain assurance on governance. The Accounts and Audit Regulations 2015 require the Council, every financial year to:

- Conduct a review of the effectiveness of the system of internal control
- Prepare an Annual Governance Statement (AGS)

The AGS should include an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. That assurance needs to be sufficient to lead an opinion and be evaluated against the governance framework.

One source of that assurance includes the Internal Audit opinion which must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Traditionally at Thanet we have also used assurance statements which are completed by managers, heads of service and directors. However that process can be seen as bureaucratic, is not always evidence based and it duplicates the management accountability.

CIPFA advice recommends the retention of the assurance statements for directors but also move to a 'risk based' system of assurance. The new assurance process will involve using existing information and processes more effectively including:

- CMT considering where the greatest area of risks for governance failure are (including those identified in the corporate risk register)
- Governance and Audit Committee annual report (used currently)
- Standards Committee annual report (used currently)
- Overview and Scrutiny Panel annual report (used currently)
- Inspection reports (including Internal Audit reports)
- Ombudsman recommendations
- Complaints, Fols, court cases etc.
- Internal Audit opinion
- Director assurance statements

A 'Governance Board' will also be formed with representatives from Finance, Audit, Legal and Democratic Support as a source of further evidence and assurance.

Contact Officer:	Tim Howes, Director of Corporate Governance and Monitoring Officer
Reporting to:	Madeline Homer, Chief Executive

Annex List

<i>Annex 1</i>	Revised Code of Corporate Governance
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Background Papers

Title	Details of where to access copy
CIPFA/SOLACE Good Governance Framework for Local Government 2016	Copy available from Director of Corporate Governance's
The Accounts and Audit Regulations 2015	http://www.legislation.gov.uk/ukxi/2015/234/pdfs/ukxi_20150234_en.pdf

Corporate Consultation

Finance	Ramesh Prashar Head of Finance
Legal	Sophia Nartey Head of Legal Services