



Derby City Council

**AUDIT & ACCOUNTS COMMITTEE**  
**22 March 2017**

**ITEM 11**

Report of the Director of Governance &  
Monitoring Officer

**Local Code of Corporate Governance**

**SUMMARY**

- 1.1 All local authorities are required to maintain a Local Code of Corporate Governance (Local Code). The purpose of the Local Code is to set out the Council's commitment to the principles of good governance as set out in "Delivering Good Governance in Local Government Framework 2016", published by CIPFA in association with SOLACE.
- 1.2 This report provides Members with the opportunity to review, comment and endorse the Council's revised Local Code, as set out in Appendix 2.

**RECOMMENDATIONS**

- 2.1 That the revised Local Code of Corporate Governance, as set out in Appendix 2, be endorsed and approved.

**REASONS FOR RECOMMENDATIONS**

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

**SUPPORTING INFORMATION**

**Background**

- 4.1 The Council's current Local Code was last reviewed and adopted by the Council in December 2012.

- 4.2 In 2015, CIPFA and SOLACE undertook a complete review of the “Delivering Good Governance in Local Government Framework” and in 2016 published new guidance in relation to this. The main principle underpinning the development of the new Framework is that local government must develop and shape its own approach to governance, taking account of the environment in which it operates.
- 4.3 The new Framework is intended to assist authorities in reviewing and accounting for their own individual approach.
- 4.4 In order to achieve desired outcomes for service users and communities, the new Framework should ensure that resources are:
- directed in accordance with agreed policy and according to priorities,
  - that there is sound and inclusive decision making; and
  - that there is a clear accountability for the use of those resources,

The new framework positions the attainment of sustainable economic, societal and environmental outcomes as a key focus of governance processes and structures.

- 4.5 As a result of the revisions, the Council needs to revisit its Local Code. The new Framework is centred around seven key principles, which as detailed above, focus on delivery of intended outcomes and ensuring transparency and openness in our decision making and engagement. The guidance highlights the types of behaviours and actions that demonstrate good governance in practice rather than a checklist of governance processes that the Council must have in place.
- 4.6 Rather than being prescriptive about the detail of the Council’s Governance arrangements, the approach taken in writing the Local Code has been to confirm our commitment to the Principles detailed within the new Governance Framework. The Council’s Local Code will be underpinned by an “Assurance Framework” which will set out in more detail how, and what the Council will seek assurance on. This Assurance Framework will be based on the 3 lines of defence model, where assurances will be obtained from various components to provide a holistic overview of the Council’s governance arrangements, providing the evidence to support the production of the Annual Governance Statement (AGS).

## OTHER OPTIONS CONSIDERED

- 5.1 N/A

This report has been approved by the following officers:

Legal officer	N/A
Financial officer	N/A
Human Resources officer	N/A
Estates/Property officer	N/A

<b>Service Director(s)</b> <b>Other(s)</b>	N/A Governance Working Group
<b>For more information contact:</b>  <b>Background papers:</b> <b>List of appendices:</b>	Richard Boneham, Head of Governance and Assurance, 01332 643280 <a href="mailto:richard.boneham@derby.gov.uk">richard.boneham@derby.gov.uk</a> None Appendix 1 – Implications Appendix 2 – The Local Code of Corporate Governance

<b>IMPLICATIONS</b>
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### **Financial and Value for Money**

- 1.1 None directly arising.

### **Legal**

- 2.1 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published statement of Accounts. This is known as an Annual Governance Statement (AGS).
- 2.2 The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be prepared in accordance with proper practices in relation to accounts. Therefore a local authority in England shall provide this statement in accordance with "Delivering Good Governance in Local Government Framework (2016)" and this section of the Code.
- 2.3 The Delivering Good Governance in Local Government Framework (2016) stipulates that authorities should develop and maintain a Local Code of Governance and that its governance arrangements reflect the principles set out in the Framework.

### **Personnel**

- 3.1 None directly arising

### **IT**

- 4.1 None directly arising

### **Equalities Impact**

- 5.1 None directly arising

### **Health and Safety**

- 6.1 None directly arising

### **Environmental Sustainability**

- 7.1 None directly arising

### **Property and Asset Management**

- 8.1 None directly arising

### **Risk Management**

9.1 None directly arising

**Corporate objectives and priorities for change**

- 10.1 All aspects of the work of the Council are affected by the Corporate Governance regime as well as the Council's partners in service delivery and other agencies with which the Council shares information. External bodies in particular need to have confidence in the way the Council operates and this can be achieved by demonstrating robust Corporate Governance arrangements that are fully embedded.