

Audit and Standards Committee - 20th September 2021

Report of the Director of Finance and Legal

Review of the Code of Corporate Governance

Purpose of the Report

1. To inform Members of the results of a review of the Code of Corporate Governance.
2. To ask Members to approve a revised Code of Corporate Governance.

Recommendations

3. That Members note the content of this report and approve the revised Code of Corporate Governance.
4. That Members authorise the Director of Finance and Legal to undertake the necessary action to incorporate the revised Code into the Constitution.

Background

5. The Audit and Standards Committee has responsibility for corporate governance and the review of the local code of corporate governance.
6. The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) produce the framework and guidance for reviewing governance: "Delivering Good Governance in Local Government 2016".
7. The overall aim of the Framework is to ensure:
 - Resources are directed in accordance with agreed policy and according to priorities,
 - There is a 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.

8. Local authorities are encouraged to review their existing governance arrangements against the principles and sub-principles for good governance detailed within the Framework and accompanying guidance. The Framework is not intended to be prescriptive and authorities are requested to consider the contents of the Framework in a way that reflects their structure, type, functions and size.
9. The council has experienced a period of significant change and there is further significant change to come, so it is important for Officers and Members to ensure that the governance framework remains “fit for purpose”.
10. The Head of Audit Services has carried out a review of the council’s governance arrangements against the principles and sub-principles of good governance included in the 2016 Framework in conjunction with a number of senior managers from across the council. The updated Code of Corporate Governance is included at **Appendix A**. The main changes are as follows:
 - Reference has been made to the setting up of a new Corporate Equality Group chaired by the Chief Executive and work being undertaken to address the recommendations made by an external consultant.
 - Updated the Council’s scrutiny arrangements.
 - Updated the Future Council programme.
 - Updated how the Council communicates with its staff.
 - The fact that the Council has declared a climate emergency and governance established to become carbon neutral by 2041.
 - Work being undertaken to establish a People Strategy.
 - The fact that the Council has obtained Cyber Essentials accreditation.
 - The fact that Audit and Standards Committee are now producing an annual report that is presented to Full Council.
11. The draft Code of Corporate Governance was discussed and agreed with Strategic Executive Board.
12. There are issues to be addressed with the council’s governance framework, but most of these are recognised or have previously been raised in internal audit reports.

Finance

13. There are no direct financial implications arising from this report.

Law

14. There is no statutory requirement for the council to produce a Code of Corporate Governance but it is considered best practice.

Risk Management

15. The proposals contained in this report do not create any “material” risks.

Equality Impact

16. The adoption of a Code of Corporate Governance is one part of the council’s commitment to fair treatment for all.
17. Children and young people were not consulted on or involved with the preparation of this report.

Human Resources/Organisational Development

18. There are no human resources/organisational development implications arising from this report.

Commercial/Procurement

19. There are no commercial/procurement considerations relating to this report.

Council Priorities

20. An effective framework of governance, risk management and internal control will greatly assist the Council in achieving its priorities.



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List of Background Papers

Appendix A: Code of Corporate Governance

CIPFA/SOLACE Delivering Good Governance in Local Government Framework and Guidance Notes