

---

<b>REPORT TO:</b>	<b>AUDIT SUB-COMMITTEE</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>19<sup>TH</sup> JUNE 2013</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>LEGAL &amp; DEMOCRATIC SERVICES MANAGER</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>ARDIP KAUR</b> <a href="mailto:ardip.kaur@south-derbys.gov.uk">ardip.kaur@south-derbys.gov.uk</a>	<b>DOC:</b> u/ks/governance/local code/june13/update report june13
<b>SUBJECT:</b>	<b>LOCAL CODE OF CORPORATE GOVERNANCE – ANNUAL REVIEW 2012/13</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: AS 04</b>

---

## **1.0 Recommendation**

- 1.1 That the annual assessment of the Council's Local Code of Corporate Governance for 2012/13 is approved.
- 1.2 That progress on the work plan for 2012/13 is approved.

## **2.0 Purpose of Report**

- 2.1 To provide the annual detailed assessment of the Council's Local Code of Corporate Governance, together with progress on the work plan contained in the statutory Governance Statement.

## **3.0 Detail**

- 3.1 The current Local Code of Corporate Governance was adopted by the Council in 2008. It is based on a best practice document and principles which were founded by the professional organisations SOLACE and CIPFA. The local code provides evidence of how the Council has fulfilled or intends to fulfil its commitment to corporate governance.
- 3.2 Under its terms of reference, the Committee is required to review progress in relation to compliance against six core principles on which the Code is based. These principles and the local action plan are a fundamental part of the Council's Annual Governance Statement; this is subject to External Audit review as part of the annual accounts process.

### **What is Corporate Governance?**

- 3.3 Corporate Governance is the system by which a Council directs and controls its functions and relates to its community. Good Corporate Governance is essential in demonstrating there is credibility and confidence in the public services provided. Sound arrangements are founded upon openness,

integrity and accountability, together with the over-arching concept of leadership.

### **The Purpose of the Local Code of Governance**

3.4 The Local Code of Governance is a single document that aims:

- To serve as a management tool for reviewing and monitoring existing Corporate Governance arrangements.
- To ensure that evidence about governance arrangements is available and to fulfil statutory commitments required in the Annual Governance Statement.
- To help develop plans for improving arrangements for Corporate Governance

### **How Governance Arrangements are Measured**

3.5 The local code is based on six core principles:

1. Focusing on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area.
2. Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
3. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
5. Developing the capacity and capability of Members and Officers to be effective.
6. Engaging with local people and other stakeholders to ensure robust public accountability.

3.6 The Council's Governance arrangements are overseen by a corporate group of senior officers consisting of

- Legal and Democratic Services Manager, including their role as the Council's Monitoring Officer
- Director of Finance and Corporate Services, including their role as the Council's Chief Finance (Section 151) Officer
- Policy & Communications Manager

3.7 On an on-going basis, this group monitors and reviews a detailed self-assessment. This is effectively a checklist which assesses the documents and processes, together with any other means used to measure compliance with the six supporting principles.

- 3.8 The updated assessment is detailed in **Appendix 2**. This largely remains unchanged from the previous year; it is considered that the Council already has adequate arrangements in place that meet the requirements of good corporate governance.
- 3.9 The assessment helps to identify internal factors and new external requirements that need to be addressed to ensure that the Council maintains effective governance arrangements.

### **Work Plan 2012/13**

- 3.10 This is then formulated into a work plan that aims to meet any new requirements or identified areas of risk. The work plan approved for 2012/13 with progress is set out in **Appendix 1**.
- 3.11 The work plan was mainly completed in the year, with a couple of areas being carried forward pending the outcome of internal restructuring and new legislation.

### **Work Plan 2013/14**

- 3.12 The proposed work plan for 2013/14 is set out in the Annual Governance Statement which is subject to a separate report on this Committee's Agenda. This plan has been informed by the updated assessment of the Local Code and includes areas carried forward from 2012/13.

## **4.0 Financial Implications**

- 4.1 None.

## **5.0 Corporate Implications**

- 5.1 The Code covers all of the Council's activities and compliance with it affects all services.
- 5.2 The self assessment process is an important element in ensuring that the Council keeps under review its Local Code of Corporate Governance in order to continue to maintain the six core principles.

## **6.0 Community Implications**

- 6.1 A key aim of the Council is community leadership, which is concerned with the style and manner in which the Council operates and how it relates to local people and partners. One important aspect included in this aim is the policies and arrangements for corporate governance.

## **7.0 Background Papers**

- CIPFA/SOLACE publication "*Delivery Good Governance in Local Government*".