

Audit and Risk Management Committee**Tuesday, 22 November 2016**

REPORT TITLE:	REVISED CODE OF CORPORATE GOVERNANCE 2016
REPORT OF:	ASSISTANT DIRECTOR: LAW & GOVERNANCE (MONITORING OFFICER)

REPORT SUMMARY

The report seeks the Committee's approval of the Council's revised Code of Corporate Governance.

The Council's current Code of Corporate Governance was last reviewed in 2013. A review was scheduled to be undertaken last year, however it was delayed following notification from CIPFA that a revised Code would be issued shortly. CIPFA however took much longer than initially stated to issue the revised Code. Once it was issued and made available, the Council's Code of Corporate Governance was reviewed.

CIPFA issued the new CIPFA / SOLACE Guidance / Framework for Delivering Good Governance in Local Government in April 2016 and the same was made available in June 2016.

RECOMMENDATION/S

That the Audit and Risk Management Committee:

- i. Approves the revised Code of Corporate Governance at Appendix 1.
- ii. Recommends the revised Code of Corporate Governance at Appendix 1 to Council for approval and for the framework detailed therein to be included within the Council's Constitution.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To ensure that the Council's Code of Corporate Governance is compliant with the new CIPFA / SOLACE Guidance / Framework for Delivering Good Governance in Local Government.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options were considered. There is no alternative Code of Corporate Governance available.

3.0 BACKGROUND INFORMATION

- 3.1 Corporate governance is a phrase used to describe how organisations direct and control what they do. For local authorities this also includes how a council relates to the communities that it serves.
- 3.2 The new CIPFA / SOLACE framework, in the main, mirrors the last CIPFA SOLACE Guidance / Framework (2009-13). The Council's current Code of Corporate Governance was last revised in 2013.
- 3.3 The new CIPFA / SOLACE framework applies to annual governance statements prepared for the financial year 2016/17 onwards.
- 3.4 The concept underpinning the framework is that it is helping local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way.
- 3.5 By applying the principles in the Code, the Council commits itself to discharging its functions and delivering its services to Wirral residents in a way that demonstrates accountability, transparency, effectiveness, integrity, and inclusivity.
- 3.6 There are two main changes to the Code that have been made:

D: Determining the interventions necessary to optimise achievement of the intended outcomes.

This aspect of the Code examines the strategic combination of legal, regulatory and practical interventions, with a view to them ensuring that the intended outcomes are achieved.

G: Implementing good practices in transparency reporting and audit to deliver effective accountability.

The purpose of this aspect of the Code is to ensure that those making decisions and delivering services are held accountable for the same.

Transparency is a key driver for this Code, with both internal and external audit required to contribute to effective accountability.

- 3.7 The Council's revised Code of Corporate Governance has been amended to comply with the changes introduced by CIPFA/SOLACE. As with the previous Code, the Council is required to demonstrate through evidence how it meets all aspects of the Code. The revised Code detailed at Appendix 1 sets out the revised Code along with the evidence relied upon to demonstrate compliance.

4.0 FINANCIAL IMPLICATIONS

There are no such implications arising

5.0 LEGAL IMPLICATIONS

- 5.1 The Council is required to ensure it has strong corporate governance arrangements in place so as to be able to effectively meet and discharge its obligations, responsibilities and duties. Inadequate governance arrangements could lead to significant governance issues arising leaving the Council open to challenge.

- 5.2 Reviewing and amending the Code in accordance with the Framework will ensure that the Council's governance arrangements are both fit for purpose and take into account the best practice guidance. An annual governance statement will need to be prepared in accordance with the Framework in order to meet the statutory requirement set out in the Accounts and Audit Regulations.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 There are no such implications arising

7.0 RELEVANT RISKS

- 7.1 The Council is open to challenge should it not have effective corporate governance arrangements in place.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The Code of Corporate Governance review has been undertaken in consultation with senior officers and Internal Audit.

9.0 EQUALITY IMPLICATIONS

- 9.1 There are no such direct implications arising.

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APPENDICES

Appendix 1 Revised Code of Corporate Governance

REFERENCE MATERIAL

CIPFA / SOLACE Guidance / Framework for Delivering Good Governance in Local Government (2016)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date