

# Performance and Audit Scrutiny Committee



Forest Heath  
District Council

<b>Title of Report:</b>	<b>West Suffolk Local Code of Corporate Governance</b>	
<b>Report No:</b>	<b>PAS/FH/17/025</b>	
<b>Report to and dates:</b>	<b>Performance and Audit Scrutiny Committee</b>	21 September 2017
	<b>Cabinet</b>	24 October 2017
	<b>Council</b>	20 December 2017
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<b>Purpose of report:</b>	Following the re-issue of the CIPFA guidance for local authorities, officers have developed a revised Local Code of Corporate Governance. This report seeks the views of the Performance and Audit Scrutiny Committee on the draft Code, before it is presented to Cabinet and to Council for approval.	
<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that the Performance and Audit Scrutiny Committee review the draft Local Code of Corporate Governance, making any recommendations where they believe the document can be enhanced, before it is submitted to Cabinet and Council for approval</b>	

<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
<b>Alternative option(s):</b>	The Code of Corporate Governance was last reviewed in 2013. The current document is being developed on behalf of both authorities to adopt in line with the CIPFA Code of Practice. Members are welcome to propose alterations to the proposed document.		
<b>Implications:</b>			
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
The Corporate Governance Framework is ineffective, resulting in weak arrangements and poor decisions being made	Low	Adoption of the Code of Corporate Governance sets a clear expectation and framework for the Council's operations	Low
<b>Ward(s) affected:</b>		None	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		<b>Appendix A:</b> Code of Corporate Governance	

## **1. Key issues and reasons for recommendation(s)**

- 1.1 As the CIPFA / Solace guidance document, "delivering good governance in local government" sets out, governance in the public sector is keenly observed and failings in governance attract high profile attention. Local Government should operate to the highest governance standards, and governance arrangements should not just be sound – they should be seen to be sound.
- 1.2 In 2016, CIPFA / Solace updated their guidance to local authorities on developing their Corporate Governance Frameworks. They strongly advocate the production of a local Code of Corporate Governance, so that local authorities can review and account for their own individual arrangements to effectively discharge their functions, and demonstrate their own compliance with good practice.
- 1.3 The Local Code of Corporate Governance was last produced jointly by Forest Heath and St Edmundsbury Councils in 2013. Following the updating of the CIPFA / Solace guidance, it is now time for the Councils to again review their Code, making sure it is effective, transparent and relevant.
- 1.4 Each year, the Council produces an Annual Governance Statement. This is a statutory requirement, and the Annual Governance Statement is also required to comply with the principles as outlined in the CIPFA Code. As such, the Annual Governance Statement is a reflection of how we have complied with our own Code, and worked to strengthen our governance arrangements over the previous year.
- 1.5 In order to produce the proposed draft Code of Corporate Governance, attached at Appendix A, an officer group, including representatives from key services (audit, legal, policy, finance and performance) have reviewed the Councils' existing governance arrangements at a detailed level, and then evaluated how the arrangements should be demonstrated within the local code. The Code has also been assessed by the Council's Leadership Team.
- 1.6 The Councils' previous Code closely adhered to the principles, and sub-principles contained within the CIPFA framework. Recognising the emphasis within the framework on local arrangements, the revised Code has a greater emphasis on how Forest Heath and St Edmundsbury practically apply the principles and comply with good practice. The Code reiterates our firm commitment to continually review our compliance with good practice, and openly report the outcomes of this work.
- 1.7 The Performance and Audit Scrutiny Committee is now requested to review the Code, and identify those areas where it believes that the document can be strengthened, prior to adoption by Cabinet / Council.