

AUDIT COMMITTEE

DATE OF MEETING: 26 JULY 2022

TITLE OF REPORT: LOCAL CODE OF CORPORATE GOVERNANCE

Report of: Section 151 Officer

Cabinet Portfolio: Finance

Key Decision: No

Confidentiality: Non Exempt

PURPOSE OF REPORT

1. To seek approve to a revised local code of corporate governance.

RECOMMENDATION

2. That the Audit Committee review and approve the local code of corporate governance attached at Appendix 1.

BACKGROUND

3. Delivering Good Governance in Local Government: Framework, published by CIPFA (Chartered Institute of Public Finance & Accountancy) and SOLACE (Society of Local Authority Chief Executives) in 2016, sets the standard for local authority governance. The framework is intended to assist authorities in developing their own approach to governance, including the preparation of the annual governance statement (AGS).
4. In March 2017, the Committee approved a revised local code that met the requirements of the 2016 framework. The local code details the key policies, procedures and systems by which the Council is controlled and governed. The local code is reviewed and updated annually to ensure it reflects current working practices.

MAIN ISSUES

5. Previously the local code was simply a list of policies and procedures. To allow those reading the local code to better understand how those policies and procedures assist in delivering good governance, explanatory text has been added to aid clarity and understanding.
6. Many narrative changes have been made to the local code and it is not possible to summarise those changes in this report.
7. The local code supports the AGS by detailing the governance processes and procedures in place across the Council. However much of the information in the local code is repeated in the AGS.
8. Consideration is being given to expanding the amount of narrative in the local code with the intention of reducing the length of the annual governance statement (currently 26 pages). This will allow the AGS to become a high level and strategic document.

CORPORATE GOVERNANCE CONSIDERATIONS

Relevance to the Corporate Plan and/or The Hart Vision 2040

9. Good corporate governance arrangements underpin delivery of all aspects of the Corporate Plan.

Service Plan

- Is the proposal identified in the Service Plan? No
- Is the proposal being funded from current budgets? Yes
- Have staffing resources already been identified and set aside for this proposal?
Yes

Legal and Constitutional Issues

10. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015, require the Council to 'conduct a review of the effectiveness of the system of internal control'...

The review of the local code of corporate governance meets the requirement of Reg. 6(1)(a).

11. The Audit Committee's terms of reference require it to review and sign off the annual Statement of Accounts, which includes the AGS. It is appropriate for the Committee to approve the local code of corporate governance.

Financial and Resource Implications

12. There are no financial implications arising from this report.

Risk Management

13. If the Council did not fulfil the statutory requirement to conduct a review at least once a year of the effectiveness of its system of internal control, the external auditor would be likely to highlight this point in their annual report. This may lead to local negative publicity.

EQUALITIES

14. There are no equality issues arising from this report.

CLIMATE CHANGE IMPLICATIONS

15. No direct carbon/environmental impacts arising from the recommendations.

ACTION

16. The local code of corporate governance is approved.

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Appendices

Appendix A. The Local Code of Corporate Governance.

Background Papers: None