

REPORT TO GOVERNANCE AND AUDIT COMMITTEE

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF196

DATE: 29th June 2012

TITLE:	LOCAL CODE OF CORPORATE GOVERNANCE JUNE 2012	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	None	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Paul Carpenter Governance and Communication Portfolio Holder	
CONTACT OFFICER:	David Scott Finance Support Manager (Finance and Risk) d.scott@southkesteven.gov.uk Tel: (01476) 406218	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
Equality and Diversity	N/A	No
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	CHFCS113 – Local Code of Corporate Governance	

1. RECOMMENDATION

It is recommended that Committee approve the updated Local Code of Corporate Governance.

2. PURPOSE OF THE REPORT

The Council is committed to ensuring good governance and in maintaining an up to date Local Code of Corporate Governance that clearly sets out how the Council applies the principles of good governance and how these are evidenced. The attached Code updates the previous version adopted in 2010 and provides greater transparency of governance and contributes towards the achievement of the Council's Priorities and strategic objectives.

As part of the updated terms of reference agreed by Council in April 2011 the Governance and Audit committee are now charged with the approval of the Local Code of Corporate Governance which was previously endorsed by Council.

3. DETAILS OF REPORT

The Local Code of Corporate Governance has been developed in accordance with the 2007 CIPFA/SOLACE¹ framework “Delivering Good Governance in Local Government” but the content is very much the Council’s own. Whilst the adoption of a Local Code is not a statutory requirement, it represents best practice and is a key element of the Council’s overarching governance arrangements.

The Code also takes account of the Application Note to Delivering Good Governance in Local Government: a Framework published in March 2010. This note has been developed to advise on the application of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government under the CIPFA/SOLACE framework. It illustrates how the governance requirements support the principles in the CFO Statement and need to be reflected in the Local Code.

Core Principles of Good Governance

The CIPFA/SOLACE Framework sets out the following six core principles on which good governance is based and forms the basis of the Council’s Local Code of Corporate Governance:

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

Various supporting principles are described in the framework which also underpin these core elements.

The updated Code demonstrates that the Council is substantially complying with the framework recommended by CIPFA/SOLACE through its policies and procedures and so demonstrates that the Council meets the principles of good corporate governance.

¹ Framework developed jointly by the Chartered Institute for Public Finance and Society of Local Authority Chief Executives.

4. OTHER OPTIONS CONSIDERED

None

5. RESOURCE IMPLICATIONS

This report has no direct impact on the Council's resources, including finance/ budget, people, land/property etc.

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

Risks have been considered as part of this report of which there are no high level risks associated with this.

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

None

8. CRIME AND DISORDER IMPLICATIONS

None

9. COMMENT OF FINANCIAL SERVICES

There are no specific financial comments arising from this report.

10. COMMENT OF LEGAL AND DEMOCRATIC SERVICES

The revision of the Code is essential to ensure it is up to date and fit for purpose sufficient to maintain the principles of good governance and that ethical standards are adopted. The revised Code has been developed in accordance with guidance issued by CIPFA/SOLACE on the delivery of good governance in Local Government and updated to include changes introduced by the Localism Act 2011.

11. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None

12. APPENDICES:

Appendix A – Revised Local Code of Corporate Governance June 2012