

# AUDIT COMMITTEE

## Local Code of Corporate Governance 23<sup>rd</sup> November 2022

### Report of Monitoring Officer & S151 Officer

#### PURPOSE OF REPORT

To seek Members' approval of a Local Code of Corporate Governance, which has been prepared in accordance with the statutory guidance.

**This report is public**

#### RECOMMENDATIONS

(1) That the Local Code of Corporate Governance, at Appendix 1, be approved

#### 1.0 Introduction

- 1.1 The Council must ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, and used in accordance with its duty under the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to economy, efficiency and effectiveness.
- 1.2 It is good practice to have a Local Code of Corporate Governance which enables an improved understanding for members, officers and the public of how the Council discharges its obligations and functions.
- 1.3 In discharging this overall responsibility, the Council must put in place proper governance arrangements for its affairs. The Local Code of Corporate Governance is consistent with the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.

#### 2.0 Report

- 2.1 The framework was first published by CIPFA/SOLACE late in 2007. This framework has been reviewed by CIPFA and Solace in 2015 and a revised framework published in spring 2016. It details 7 core principles which should form the basis for each council's Local Code.
- 2.2 While the 2016 Guidance is the product CIPFA and SOLACE, it amounts to statutory guidance because Regulation 6(4)(b) of the Accounts and Audit Regulations 2015 requires an Annual Governance Statement to be prepared in accordance with proper

practices in relation to accounts.

### 2.3 The seven principles are:

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Principle B - Ensuring openness and comprehensive stakeholder engagement.

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

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

Principle E - Developing the Authority's capacity, including the capability of its leadership and the individuals within it.

Principle F - Managing risks and performance through robust internal control and strong public financial management.

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

### 2.4 The Council's Monitoring Officer & s151 Officer and have drafted a Local Code of Governance, at Appendix 1 to this report, in accordance with these 7 principles.

## 3.0 Options and Options Analysis (including risk assessment)

	<b>Option 1: Approve the code</b>	<b>Option 2: Approve the code but with amendments</b>	<b>Option 3: Not approve the code</b>
Advantages	Improved understanding for members, officers and the public of how the Council discharges its obligations and functions.	Improved understanding for members, officers and the public of how the Council discharges its obligations and functions.	None
Disadvantages	None	None	Lack of transparency and trust in how the Council operates
Risks	None	None	Reputational and governance

## 4.0 Officer Preferred Option (and comments)

### 4.1 Option 1 - To approve the code as drafted

## 5.0 Conclusion

- 5.1 Audit Committee members are asked to consider and approve the Local Code of Corporate Governance at Appendix 1.

<p><b>CONCLUSION OF IMPACT ASSESSMENT</b>  <b>(including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):</b></p> <p>The Council must ensure that its business is conducted in accordance with the law and proper standards. A Local Code of Corporate Governance enables an improved understanding for members, officers and the public of how the Council discharges its obligations and functions.</p>	
<p><b>LEGAL IMPLICATIONS</b></p> <p>Whilst there is no legal requirement to have a Local Code of Corporate Governance it is considered good practice</p>	
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>No direct financial implications arising from this report</p>	
<p><b>OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces</b></p> <p>No direct resource implications arising from this report.</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b></p> <p>The s151 has assisted in drafting this report</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b></p> <p>The Monitoring Officer has helped draft this report</p>	
<p><b>BACKGROUND PAPERS</b></p> <p>Appendix 1: Local Code of Corporate Governance</p> <p>CIPFA/SOLACE Framework <i>Delivering Good Governance in Local Government.</i></p>	<p><b>Contact Officers:</b> Monitoring Officer &amp; s151 Officer</p> <p><b>Email:</b> <a href="mailto:lgorst@lancaster.gov.uk">lgorst@lancaster.gov.uk</a>  <a href="mailto:pthompson@lancaster.gov.uk">pthompson@lancaster.gov.uk</a></p> <p><b>Ref:</b> N/A</p>