

**Meeting:** Audit Committee  
**Portfolio Area:** All Portfolio Areas



**Date:** 9 November 2022

## PROGRESS OF CORPORATE GOVERNANCE ACTIONS

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### 1. PURPOSE

To advise Members of the Audit Committee of progress to date of corporate governance actions to strengthen the Council's corporate governance arrangements as identified in the Council's 2021/22 Annual Governance Statement, reported to Audit Committee on 7 June 2022.

### 2. RECOMMENDATIONS

That Members of Audit Committee note progress to date of corporate governance actions to strengthen the Council's corporate governance arrangements as identified in the Council's 2021/22 Annual Governance Statement, reported to Audit Committee on 7 June 2022.

### 3. BACKGROUND

- 3.1. Governance is the policies and procedures in place and the values and behaviours that are needed to ensure the Council runs effectively and can be held to account for its actions.
- 3.2. In 2016, CIPFA SOLACE published a review Framework and Guidance that reflects the International Framework: 'Good Governance in the Public Sector, developed by CIPFA/IFAC. The Framework defines the principles that should underpin the governance of each local government organisation and outlines the requirement for authorities to test their governance structures and partnerships against the principles contained in the Framework by:
  - Developing and maintaining an up to date Local Code of Governance, including arrangements for ensuring ongoing effectiveness
  - Reviewing existing governance arrangements, and

- Reporting publicly on compliance with the Local Code of Governance on an annual basis setting out how they have monitored the effectiveness of their governance arrangements in the year and identify any enhancement required.

3.3. The CIPFA/SOLACE seven core principles of good governance are:

**A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law**

**B: Ensuring openness and comprehensive stakeholder engagement**

(Principles A and B are considered fundamental and applicable through principles C to G)

**C: Defining outcomes in terms of sustainable economic, social and environmental benefits**

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

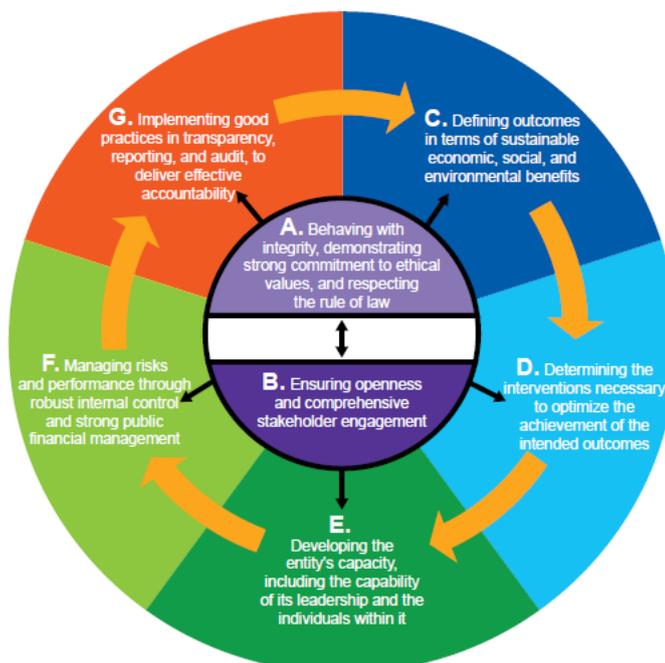
**E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

**F: Managing risks and performance through robust internal control and strong public financial management**

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

3.4. For each of the above core principles, the Framework outlines a set of sub-principles and a set of behaviours and actions that demonstrate good governance in practice.

3.5 The diagram below, taken from the International Framework, Good Governance in the Public Sector (CIPFA/IFAC, 2014) illustrates the above principles of good governance in the public sector and how they relate to each other.



### **3.6 Significant Governance Enhancement Activity – April to September 2021**

**3.6.1** As a result of the Council's annual assessment of governance arrangements and procedures, actions were identified to improve the high quality of governance arrangements already in place for the Council. Any actions which were deemed as significant were included in the Action Plan in the 2021/22 Annual Governance Statement and these actions are reflected in Appendix A to this report.

**3.6.2** Enhancement activity is deemed significant if recommended for inclusion in the Annual Governance Statement by the Shared Internal Audit Service following their review of control arrangements to meet the Audit Plan, or if identified as key to the management of 'very high/high level' strategic risks. By adopting this approach, any concerns over key controls that have a material effect on corporate governance arrangements and the delivery of outcomes should be addressed.

**3.6.3** Appendix A outlines the year to date progress of the significant governance enhancement actions included in the 2021/22 Annual Governance Statement. The full year position will be reported to Audit Committee in March 2023.

**3.7** At business unit level, assurance of compliance with the principles of good governance requires all Assistant Directors to complete, certify and return a Service Assurance Statement each year. The Service Assurance Statement is designed to provide assurance that the control environment operated effectively during 2021/22 in respect of the business units for which they have responsibility. As a result of this review, actions were identified for delivery in 2022/23 to enhance service governance arrangements.

Service governance continues to be monitored and actions to enhance the Council's governance arrangements at an operational level are progressing and will be monitored by Corporate Governance Group which meets quarterly. There are no current concerns regarding service governance arrangements

## **4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

The self-assessment of the Council's corporate governance arrangements against the 'Delivering Good Governance in Local Government' Framework principles and identification of significant governance actions to facilitate continued compliance with this Framework, forms part of the assurance process for the production of the Council's Annual Governance Statement to meet Regulation 6 of the 2015 Accounts and Audit (England) Regulations.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

There are no direct financial implications arising from this report.

## **5.2 Legal Implications**

There are no legal implications arising from this report.

## **5.3 Risk Implications**

There are no risk implications arising from this report.

## **5.4 Other Corporate Implications**

There are no corporate implications arising from this report.

## **6. BACKGROUND DOCUMENTS**

- CIPFA/SOLACE 'Delivering Good Governance in Local Government' 2016 Framework and Guidance
- CIPFA/IFAC International Framework: 'Good Governance in the Public Sector', published August 2014
- Audit Committee report (7 June 2022) Annual Governance Statement 2021/22

## **7. APPENDICES**

- Appendix A: Progress Review of Corporate Governance Actions 2022/23 - April to September 2022