

Report to:	Audit and Governance Committee	Date of Meeting:	Wednesday 6 September 2023
Subject:	Code of Corporate Governance		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To present a revised Code of Corporate Governance for approval.

Recommendation:

(1) To endorse the revised Code of Corporate Governance.

Reasons for the Recommendation(s):

Whilst it is not a statutory requirement to have a Code of Corporate Governance it is recommended by CIPFA (*The Chartered institute of Public Finance and Accountancy*).

The principal objective of a code of corporate governance is to increase credibility, accountability and public confidence in local authorities and all public bodies are encouraged to adopt a local code.

Alternative Options Considered and Rejected: (including any Risk Implications)

None – this will be the 4th iteration of the Code endorsed by the Audit and Governance Committee.

What will it cost and how will it be financed?

(A) Revenue Costs - None

(B) Capital Costs - None

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): None	
Legal Implications: None	
Equality Implications: There are no equality implications	
Impact on Children and Young People: No	
Climate Emergency Implications: The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes

Contribution to the Council's Core Purpose:

In consideration of the Council's Core Purpose, the Code of Corporate Governance will underpin the Council's activities discharged to meet the purposes identified below.

Protect the most vulnerable:
Facilitate confident and resilient communities:
Commission, broker and provide core services:
Place – leadership and influencer:
Drivers of change and reform:
Facilitate sustainable economic prosperity:
Greater income for social investment:

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7340/23.) has been consulted and any comments have been incorporated into the report. The Chief Legal and Democratic Officer is the author of the report (LD 5540/23).

(B) External Consultations - None

Implementation Date for the Decision

Immediately following the Committee meeting.

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Appendices:

Revised Code of Corporate Governance

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their Communities.
- 1.2 Governance is more than making sure that things do not go wrong or fixing them if they do. Good governance adds value; it ensures effectiveness in ever changing circumstances.
- 1.3 Governance should be seen as the system by which organisations are directed and controlled and it follows that, if an organisation has good governance, it is well directed and controlled. If it is well directed and controlled it follows that the organisation should be working efficiently, economically and effectively in pursuit of the purpose for which it exists.

1.3 The principal objective of a code is to increase credibility, accountability and public confidence in local authorities and all public bodies are encouraged to adopt a local code. A code helps us:

- To develop a framework for Corporate Governance for Sefton Council based on good practice and external guidance
- To demonstrate compliance with the principles of good governance
- To continuously improve our effectiveness through an annual review of performance against the framework
- To feed the results of the above into our Annual Governance Statement

1.4 The draft revised Code represents the recent thinking from lead professional bodies in this field contained in the CIPFA/SOLACE – Delivering Good Governance (2016) document.

2. CIPFA has produced 10 questions to ask about a local authority's local code of governance as follows:

	<i>Question</i>	<i>Answer</i>
1	Do we have a local code of governance?	Yes
2	Does it refer to the seven principles of good governance, as set out in the 2016 framework?	Yes
3	How up to date is it?	Last version dated 2019
4	Is it available on the Council's website ?	Yes
5	Does the narrative on the website explain what it is and why governance matters?	No , this will be addressed when revised version is published
6	Does the code set out our local arrangements? (This is the key)	Yes
7	Is it user-friendly, including links to further information?	Yes
8	Is your audit committee regularly sighted on it?	Yes, the intention is that the Code will be reviewed and presented to the Audit and Governance Committee annually.
9	Is it used as the basis for assurance work?	Internal Audit should refer to it

		when providing audit opinions and it should be the basis for the annual review of the Annual Governance Statement.
10	Does your annual governance statement refer to it?	A good local code allows the AGS to focus on evaluation of how ell governance works in practice, rather than a description of arrangements.

3. Members are requested to carefully consider the draft Code of Corporate Governance and determine whether further amendments are required. Following such consideration Members are requested to approve the Code of Corporate Governance.