


## REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

19 October 2017

<b>Subject:</b>	Code of Corporate Governance
<b>Director:</b>	Director – Monitoring Officer – Surjit Tour
<b>Contribution towards Vision 2030:</b>	
<b>Contact Officer(s):</b>	<p>Narinder Phagura Business Partner - Audit, Fraud, Risk and Insurance <a href="mailto:narinder_phagura@sandwell.gov.uk">narinder_phagura@sandwell.gov.uk</a></p> <p>John Matthews Audit Client Lead <a href="mailto:john_matthews@sandwell.gov.uk">john_matthews@sandwell.gov.uk</a></p>

### DECISION RECOMMENDATIONS

**That Audit and Risk Assurance Committee:**

1. Review and agree that the updated draft Code of Corporate Governance (the Code) can be presented to Cabinet for approval, prior to it being ratified by full Council.

ILO UNCLASSIFIED

## **1 PURPOSE OF THE REPORT**

- 1.1 Sandwell Council is committed to achieving good corporate governance and the Code describes how the council intends to achieve this in an open and explicit way. This report outlines the rationale for updating the Code and the arrangements that the council has in place to ensure that this key commitment is met.

## **2 IMPLICATIONS FOR SANDWELL'S VISION**

- 2.1 The Sandwell Vision is at the heart of everything the council does. The Code will contribute to the ambitions that make up the vision, by ensuring that a strong governance framework is in place and underpins everything the council does.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The Code is shown at Appendix A and has been updated in line with the seven core principles of the recently published CIPFA/SOLACE framework "Delivering Good Governance in Local Government":
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  - Ensuring openness and comprehensive stakeholder engagement.
  - Defining outcomes in terms of sustainable economic, social, and environmental benefits.
  - Determining the interventions necessary to optimise the achievement of the intended outcomes.
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  - Managing risks and performance through robust internal control and strong public financial management.
  - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 3.2 The seven principles are intended to be used as best practice for developing and maintaining a locally adopted code of corporate governance and have been used as the basis for developing the Code.
- 3.3 The Code is purposefully written in a way that best reflects the council's own structure, functions, size and the governance arrangements in place. It also shows that the council has adopted the strong "leader and cabinet" form of executive arrangement under the Local Government and Public

Involvement in Health Act 2007 and that practices are underpinned by three overarching themes:

- Respect for others.
- Duty to uphold the law.
- Stewardship.

- 3.4 The Code identifies the systems, processes, and documentation that provide evidence of compliance with the seven principles. The Code was updated by the Corporate Governance Board and after presentation to the Executive Management Team, it was reviewed by each Director to ensure that the evidence base was correct and up to date.
- 3.5 The Corporate Governance Board and Executive Management Team will continue to be responsible for monitoring and reviewing the effectiveness of the systems, processes and documentation identified and for any issues identified will agree an action plan.
- 3.6 The outcome of this review is reported to the Audit and Risk Assurance Committee as part of the Annual Governance Statement that is published with the Statement of Accounts. This provides assurance to the Committee that the council's governance arrangements are adequate and effective. The Committee is also responsible for obtaining assurances that the measures within the action plan are implemented.
- 3.7 Following review by the Audit and Risk Assurance Committee, the Code will be presented to Cabinet for approval, prior to it being ratified by full Council.

#### **4 THE CURRENT POSITION**

- 4.1 The council has a Code of Corporate Governance, but it needed updating in order to reflect the revised core principles of the recently published CIPFA/SOLACE framework "Delivering Good Governance in Local Government" and the changes to the management structure, council initiatives and key processes which have taken place since it was last approved.

#### **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 The Code has been discussed with the Executive Management Team, all Directors and the Corporate Governance Board.

## **6 ALTERNATIVE OPTIONS**

- 6.1 The Code has been produced in accordance with the CIPFA/SOLACE framework “Delivering Good Governance in Local Government”. As such, alternative options do not need to be considered.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 There are no direct financial and resource implications arising from this report.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 Sandwell Council is committed to achieving good corporate governance and the Code describes how the council intends to achieve this in an open and explicit way. In developing this Code, the council has considered best practice and guidance, particularly the seven core principles of the CIPFA/SOLACE framework “Delivering Good Governance in Local Government”.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 It was not necessary to undertake an Equality Impact Assessment.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 There are no direct risk implications arising from this report.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 There are no direct sustainability issues arising from this report.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 There are no direct health and wellbeing implications from this report.

## 14 **IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 There is no direct impact on any council managed property or land from this report.

## 15 **CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 The Committee is requested to review the Code at Appendix A and consider and agree the following:

- The Code has considered best practice and guidance, particularly the seven core principles of the CIPFA/SOLACE framework “Delivering Good Governance in Local Government”.
- The Code contributes to the ambitions that make up the Sandwell Vision 2030 by ensuring that a strong governance framework is in place and underpins everything the council does.
- There are effective arrangements for the application, development and maintenance of the code.

before it is presented to Cabinet for approval, prior to it being ratified by full Council.

## 16 **BACKGROUND PAPERS**

16.1 None.

## 17 **APPENDICES:**

The draft Code of Corporate Governance.

**Surjit Tour**  
**Director – Monitoring Officer**