

CODE OF CORPORATE GOVERNANCE

To: Audit and Accounts Committee

Date: 12th July 2016

From: Head of Internal Audit

Electoral Division(s): All

Forward Plan Ref: N/a **Key decision:** No

Purpose: To re-approve the Code of Corporate Governance.

Key issues: The Code of Corporate Governance is required to be reviewed on an annual basis to ensure it continues to comply with guidance issued by the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives.

Recommendations: The Audit and Accounts Committee is asked to approve the updated Code of Corporate Governance.

<i>Officer contact:</i>	
Name:	Duncan Wilkinson
Post:	LGSS Head of Internal Audit
Email:	duncan.wilkinson@cambridgeshire.gov.uk
Tel:	01908 252089

1. BACKGROUND

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) have published a number of best practice guidance documents related to delivering good governance in Local Government and recommend that local codes are reviewed on a periodic basis to confirm that they continue to be fit for purpose.
- 1.2 Cambridgeshire County Council is fully committed to achieving the high corporate governance standards expected of a public sector body as illustrated by the following extract from the Code:
 - Cambridgeshire County Council is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the Council and ultimately good outcomes.
- 1.3 In July 2011 the Audit and Accounts Committee approved a local Code of Corporate Governance for Cambridgeshire based upon the CIPFA/SOLACE guidance. The Code was last reviewed by the Audit and Accounts Committee at its meeting in July 2015.
- 1.4 The Council's Annual Statement of Accounts includes an Annual Governance Statement (AGS) reporting on the extent to which the Council complies with its Code of Corporate Governance. The process of preparing the AGS includes monitoring the effectiveness of governance arrangements in the financial year in question and identifying any planned changes in the governance framework in the next financial year.
- 1.5 Internal Audit's role is to annually review the Code of Corporate Governance and make any relevant changes. Following this review, no changes have been required.
- 1.6 In line with best practice the Code of Corporate Governance is presented to the Audit and Accounts Committee (Appendix A) for annual review, to ensure that the Code continues to be relevant and effective.

2. THE CODE OF CORPORATE GOVERNANCE

- 2.1 The Cambridgeshire County Council Code of Corporate Governance is based on the six principles of effective corporate governance as identified by CIPFA/SOLACE:
 1. Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area.

2. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
3. Taking informed and transparent decisions which are subject to effective scrutiny and risk management.
4. Developing the capacity and capability of members and officers to be effective.
5. Members and officers working together to achieve a common purpose with clearly defined functions and roles.
6. Engaging with local people and other stakeholders to ensure robust public accountability.

The six principles are further broken down into a number of supporting principles.

- 2.2 The Code of Corporate Governance details how Cambridgeshire County Council achieves the six main and the supporting principles of good governance.

The formal Code as presented to the Committee is an outward-facing document which will be posted on the Council's internet site to enable members of the public to see that the Council has strong governance arrangements in place. The Code is also supported by an internal document which identifies the relevant processes/documents which achieve each Code requirement, together with detail of the officer who is responsible for each aspect. The internal document will be available to councillors through SharePoint.

- 2.3 CIPFA/SOLACE guidance on governance has been updated in 2016, with the new guidance applying to annual governance statements prepared for the financial year 2016/17 onwards. The review of the Council's Code of Corporate Governance for 2016/17 will therefore be conducted in line with this updated guidance.

3. RECOMMENDATIONS

- 3.1 The Committee is asked to re-approve the Code of Corporate Governance.

Source Documents	Location
Delivering Good Governance in Local Government: Framework (CIPFA / SOLACE)	OCT1108 Shire Hall Castle Hill Cambridge CB3 0AP