

Committee Name and Date of Committee Meeting:

Audit Committee – 24th November 2020

Report title:

Code of Corporate Governance

Is this a Key Decision and has it been included in the Forward Plan?

No

Strategic Director Approving Submission of the Report:

Judith Badger (Strategic Director Finance and Customer Services)

Report Author(s):

David Webster, Head of Internal Audit

01709 823282 or david.webster@rotherham.gov.uk

Simon Dennis, Corporate Improvement and Risk Manager

01709 822114 or simon.dennis@rotherham.gov.uk

Ward(s) Affected:

All

Report

Summary:

In April 2016 CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) published revised guidance on delivering good governance in local government. The Council's Code of Corporate Governance was rewritten at that time to set out how it would comply with this new guidance. There have been no new revisions to the guidance in the last three years.

It is good practice to review and revise the Council Code on an annual basis. The Corporate Governance Group has completed this review. In addition, some changes have been made to the Code to reflect relevant elements of the Council's response to the COVID pandemic. These are included in the Code for this year but are likely to be temporary. The revised Code is presented here for consideration by the Audit Committee.

Recommendations:

The Audit Committee is asked to:

- Consider the refreshed version of the Code of Corporate Governance and;
- After consideration, advise if any amendments or further development work deemed necessary

List of Appendices Included:

Appendix 1 – Code of Corporate Governance.

Background Papers

"Delivering Good Governance in Local Government", published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in April 2016.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Code of Corporate Governance

1. Background

- 1.1 In April 2016, CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) published revised guidance on delivering good governance in Local government. The Council's Code of Corporate Governance was rewritten to set out how it complied with this new guidance. The new guidance set out seven key principles of good governance and the Council's new Code reflected these principles. The Code was presented to the Audit Committee in February 2017 with updates in November 2017, November 2018 and November 2019.
- 1.2 Although there have been no subsequent changes to the guidance, an annual review of the Code has been completed in order to ensure it remains up to date and relevant to the Council. In particular, amendments have been made to include relevant elements of the Council's response to the COVID pandemic as well as recognition of the new Year Ahead Plan which replaces the Council Plan until mid-2021.

2. Key issues

- 2.1 Good governance leads to good management, performance, public engagement, stewardship of public money and, through all this, good outcomes for citizens and service users.
- 2.2 Rotherham Metropolitan Borough Council is committed to ensuring the highest possible standards of governance in order to fulfil its responsibilities. Integrity, openness and accountability are fundamental principles by which the Council operates and these are specifically reflected in two of the Council's values – "Honest" (Being open and truthful in everything we do) and "Accountable" (We own our decisions, we do what we say and we acknowledge and learn from our mistakes).
- 2.3 The guidance sets out the seven key principles which underpin the governance of each local government organisation. The Rotherham Code follows these principles and demonstrates how they are applied and evidenced in practice. The seven key principles are:
- Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law
 - Ensuring Openness and comprehensive stakeholder engagement
 - Determining outcomes in terms of sustainable economic, social and environmental benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Developing the Councils 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 practice in transparency, reporting and audit to deliver effective accountability

2.4 The first two principles underpin the operation of the other five and represent a change in approach from earlier versions of the Code. As can also be seen from the list above, the Council's own values align closely to the key principles in the CIPFA/SOLACE code.

2.5 The Council has adopted this approach in producing its Code of Corporate Governance to give citizens and customers a clear understanding of how the Council manages its decision making, service planning, service delivery and accountability processes, how it ensures that the Council sets out its vision and priorities and how it provides effective and efficient outcomes to its citizens and customers.

3. Options considered and recommended proposal

3.1 "Delivering Good Governance in Local Government", published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) is widely acknowledged as the authoritative guide in this area.

3.2 All Local Authorities within the UK construct their Codes of Corporate Governance utilising the methodology advocated by this guidance. The framework was published in April 2016 and it is important that the Council complies with this code. There have been no changes to the guidance in the last year. An annual review of the Rotherham Code has been completed by the Corporate Governance Group.

3.3 The Audit Committee is invited to review the attached Code and provide any comments. For ease of reference a version showing tracked changes from the previous year is attached.

4. Consultation on proposal

4.1 Research has been undertaken into sector codes of governance. The attached Code takes account of current arrangements in Rotherham.

5. Timetable and Accountability for Implementing this Decision

5.1 The refreshed code is to be presented to the Audit Committee for consideration at its meeting on 24th November 2020.

6. Financial and Procurement Advice and Implications

6.1 There are no immediate financial and procurement implications associated with the refreshed code although, previously stated, good governance leads to good stewardship of public money.

7. Legal Advice and Implications

7.1 There are no direct legal implications arising from the recommendations within this report.

8. Human Resources Advice and Implications

8.1 There are no specific Human Resources implications associated with the proposals.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no immediate implications associated with the proposals.

10. Equalities and Human Rights Advice and Implications

10.1 There are no immediate implications associated with the proposals.

11. Implications for Partners

11.1 There are no immediate implications associated with the proposals.

16. Risks and Mitigation

16.1 The implementation of an effective Governance framework is designed to minimise the Authority's exposure to risk.

17. Accountable Officer(s)

Simon Dennis, Corporate Improvement and Risk Manager
David Webster, Head of Internal Audit

Approvals Obtained from:-

Strategic Director of Finance and Customer Services: Judith Badger

This report is published on the Council's website or can be found at:

<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories>