CONSTITUION AND DEMOCRATIC SERVICES COMMITTEE

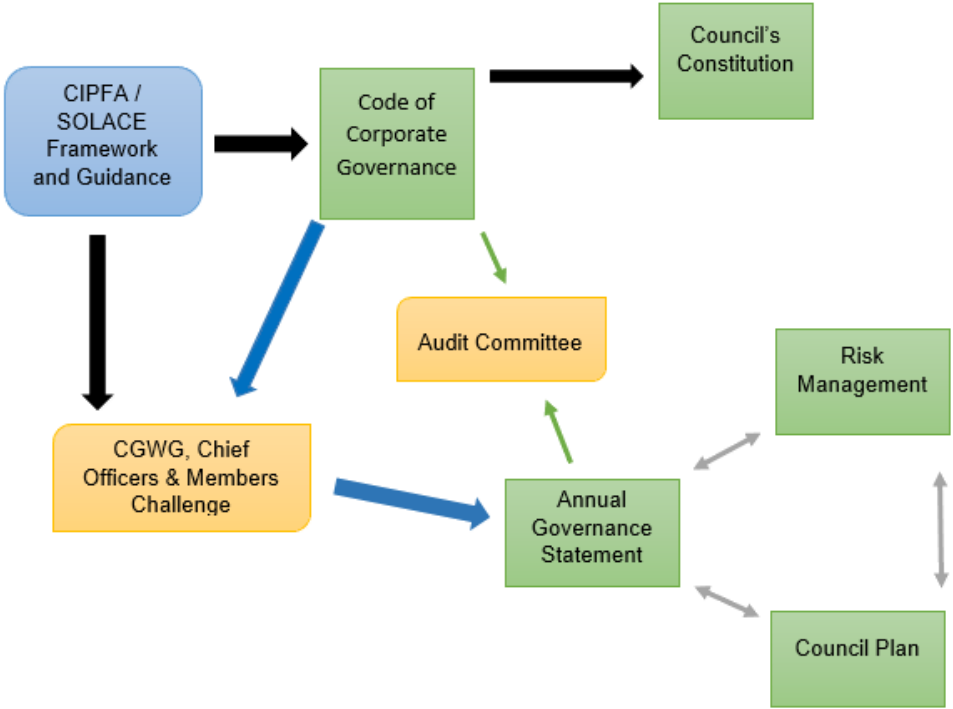| Date of Meeting	Thursday, 5th March 2020
Report Subject	Code of Corporate Governance
Report Author	Internal Audit Manager
Type of Report	Assurance

EXECUTIVE SUMMARY

The Code of Corporate Governance forms part of the Constitution. It is reviewed annually to ensure it is up to date and complies with all relevant legislation and other requirements.

As the Code of Corporate Governance forms part of the Council's Constitution. It will be presented for endorsement by the Constitution and Democratic Services Committee in March.

RECOMMENDATIONS	
1	The Committee to endorse the updated Code of Corporate Governance for adoption as part of the Council's Constitution.

REPORT DETAILS

1.00	EXPLAINING THE CODE OF CORPORATE GOVERNANCE
1.01	The Corporate Governance Working Group (CGWG) has two main roles: To annually review the Code of Corporate Governance and the preparation of the Annual Governance Statement (AGS). Under both roles the Group prepares draft documentation for consideration by the Chief Executive, Monitoring Officer and Section 151 Officer prior to consideration by the Audit Committee. The membership of this officer working group is detailed within Section 3 of Appendix 1 attached.
1.02	The Council's Code of Corporate Governance forms part of the Constitution and applies to all parts of the Council's business. Members and employees of the Council in carrying out its business must conduct themselves in accordance with the high standards expected. The Code draws from work and guidance by the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) and their joint document entitled '*Delivering Good Governance in Local Government: Guidance Notes for Welsh Authorities 2016*'.
1.03	The relationship between the CIPFA /SOLACE guidance, the Code of Corporate Governance, the Annual Governance Statement, Council Plan and the Audit Committee's responsibilities for these and risk management, is shown in the diagram below.

1.04	The CIPFA/SOLACE Guidance note for Welsh Authorities was received in December 2016 following revision to take account of Welsh legislation and Wales only policies in particular the Well-being of Future Generations (Wales) Act 2015.

The CIPFA/SOLACE Framework is intended to assist authorities in ensuring that:
• resources are directed in accordance with agreed policy and according to priorities;
• there is sound and inclusive decision making; and
• there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

As a result of the revised Guidance note, the Code of Corporate Governance was significantly revised in 2017. The presentation and format has been further simplified and modernised for 2019/20.

The updating and formatting review of the code was initially carried out by the Corporate Governance Working Group followed by consultation with the Chief Executive, Monitoring Officer and Section 151 Officer. The code has been presented to and endorsed by Audit Committee on 29th January 2020.

Whilst the format of the code has been simplified for 19/20 only a small number of updates have been made to bring the document up to date.

These updates can been seen as tracked changes. The revised code can be seen at Appendix 1. |
| 1.05 | The seven principles for the code (taken from the Framework) are as follows:
A   Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law;
B   Ensuring openness and comprehensive stakeholder engagement;
C   Defining outcomes in terms of sustainable economic, social and environmental benefits;
D   Determining the interventions necessary to optimise the achievement of the intended outcomes;
E   Developing the Council'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. |
| 1.06 | The principles of the Code are to be used by the Corporate Governance Working Group, Chief Officers and Overview and Scrutiny Committee chairs to help inform the preparation of the Annual Governance Statement. |

2.00	RESOURCE IMPLICATIONS
2.01	None from the report itself.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Consultation of the revised Code of Corporate Governance has been undertaken with Audit Committee members, the Corporate Governance Working Group, Chief Executive, the Council's Monitoring Officer and Chief Officer, Governance, Section 151 Officer and senior officers where appropriate.

4.00	RISK MANAGEMENT
4.01	The main risk is in not updating the Code, meaning it does not reflect the systems in place or meet the requirements. Similarly, in order to comply with requirements, the AGS needs to be prepared each year with input from members and officers, including an annual review of the effectiveness of governance. Both these risks are addressed through the adopted processes and approach each year, which reflect new or additional best practice and guidance.

5.00	APPENDICES
5.01	Appendix 1: Code of Corporate Governance

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

7.00	CONTACT OFFICER DETAILS
7.01	**Contact Officer:** Lisa Brownbill, Internal Audit Manager **Telephone:** 01352 702231 **E-mail:** Lisa.brownbill@flintshire.gov.uk

8.00	**GLOSSARY OF TERMS**
8.01	**Corporate Governance:** the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.