

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS & AUDIT COMMITTEE

Agenda Item No 5

meeting date: 26 JULY 2017
title: LOCAL CODE OF CORPORATE GOVERNANCE
submitted by: DIRECTOR OF RESOURCES
principal author: SALMA FAROOQ

1 PURPOSE

1.1 To consider the revised Local Code of Corporate Governance.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – none identified.
- Corporate Priorities – a well-managed Council.
- Other Considerations – none identified.

2 BACKGROUND

2.1 The Council has reviewed and updated the Council's Code of Corporate Governance in line with CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016).

2.2 This document is **forward looking** and brings together in one document all the governance and accountability arrangements the Council currently has in place, and where necessary highlights any areas where more work is required.

3 ISSUES

3.1 The code is a public statement that sets out the way the Council will meet its commitment to demonstrating that it has the necessary Corporate Governance arrangements in place to perform effectively. It represents a key component of the Council's governance arrangements. It applies to all Council members, Officers, Partners and Stakeholders in their dealings with the Council.

3.2 The Council is not required to include the local code in the constitution and it is proposed that this revised code is published separately on the Council's website.

3.3 The Council must conduct a review at least once a year of the code. The Code for Corporate Governance is attached at Annex 1 and has been developed based upon the requirements and guidance received from CIPFA.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – None
- Technical, Environmental and Legal – None
- Political – None
- Reputation – The Council must ensure that it has a sound system of internal control in place.
- Equality & Diversity – None

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve the attached revised Local Code of Corporate Governance, which is attached at Annex 1.

SENIOR AUDITOR

DIRECTOR OF RESOURCES

AA9-17/SF/AC
12 July 2017

BACKGROUND PAPERS

None

For further information please ask for Salma Farooq.

Local Code of Corporate Governance

June 2017



Ribble Valley
Borough Council

www.ribblevalley.gov.uk

Local Code of Corporate Governance

1 INTRODUCTION

- 1.1 Corporate Governance is the system by which the Council directs and controls its functions and relates to the community. Ribble Valley Borough Council is committed to the highest standards of good governance.
- 1.2 The Council has developed and adopted a local code of corporate governance which reflects the key components as set out in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016.

2 WHAT DO WE MEAN BY GOVERNANCE

- 2.1 The Council has accepted the definition of Governance as stated within the CIPFA/SOLACE Framework. "Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entities objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders".

3 CORE PRINCIPLES

- 3.1 The Council's Code of Corporate Governance is based on seven core principles.

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- 3.2 The Council will put into place effective political and managerial structures and processes to govern its decision-making and the exercise of its authority, through:
- Behaving with integrity
 - Demonstrating strong commitment to ethical values
 - Respecting the rule of law

Ensuring openness and comprehensive stakeholder engagement

- 3.3 The Council will:
- Ensure openness
 - Engage comprehensively with institutional stakeholders
 - Engage with individual citizens and service users effectively

Defining outcomes in terms of sustainable economic, social, and environmental benefits

- 3.4 In carrying out its duties and responsibilities, the Council will demonstrate:
- Defining outcomes
 - Sustainable economic, social and environmental benefits

Determining the interventions necessary to optimise the achievement of the intended outcomes

- 3.5 The Council will:
- Determine interventions
 - Plan interventions
 - Optimise achievement of intended outcomes

Developing the Council's capacity, including the capability of its leadership and the individuals within it

- 3.6 The Council will:
- Develop its capacity
 - Develop the capability of its leadership and other individuals

Managing risks and performance through robust internal control and strong public financial management

- 3.7 The Council will establish and maintain a systematic strategy, framework and processes for managing risk, by:
- Managing risk
 - Managing performance
 - Robust internal control
 - Managing data
 - Strong public financial management

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- 3.8 The Council will:
- Implement good practice in transparency
 - Implement good practices in reporting
 - Provide assurance and effective accountability

4 DELIVERY OF OUTCOMES WITHIN THE SEVEN PRINCIPLES

- 4.1 Ribble Valley Borough Council will deliver the outcomes which lie beneath the seven core principles by:
- Reviewing on annual basis, its Governance arrangements to ensure compliance with this Code, the delivery of Good Governance within the Local Government Framework and current good practice. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively or to identify action which is planned to ensure effective governance in the future.
 - Reporting bi-annually to members and management team the corporate governance arrangements in place.
 - Annually assessing the 'Role of the Chief Financial Officer' and the 'Role of the Head of Internal audit', using guidance published by CIPFA.

- Producing an Annual Governance Statement documenting the extent to which the local code has been adhered to and the actions required where adherence has not been achieved.

4.2 The key elements of the Local Code of Corporate Governance that underpin this local code are listed at Annex 1.

Key Elements of Local Code of Corporate Governance

- Corporate Strategy
- Constitution of the Council
- Core Strategy
- Communications Strategy
- Sustainable Community Strategy
- Financial Regulations
- Contract Regulations
- Budgetary Procedures
- Medium Term Financial Strategy
- Treasury Management Strategy & Policies
- Annual Financial Reports (Budget and Statement of Accounts)
- Annual Governance Statement
- Procurement Policy
- Scheme of Delegation
- Access to Information Procedure Rules
- Standing Orders relating to meetings of the Council
- Code of Conduct for Members and Standards Committee
- Code of Conduct for Employees
- The Member/Officer Protocol
- Members Allowance Scheme
- Anti-Fraud and Corruption Policy
- Anti-Money Laundering Policy
- Whistleblowing Policy
- Complaints Procedure
- Disciplinary Procedure
- Corporate Health and Safety Policy
- Safeguarding Policy
- Risk Management Policy
- Risk Register
- Recruitment and Selection Policy
- Internal Audit Charter
- Internal Audit Plan
- Internal Audit Report
- External Audit Annual Plan
- External Audit Annual Letter
- External Audit Reports
- Performance Management System
- Performance Management Reporting (Performance Indicators)
- Citizen's Panel
- Accounts & Audit Committee
- Register of Interests
- Principles of Corporate Governance Framework (Review Document)
- Partnership Protocols
- [Business Continuity Plans](#)
- [Open Data & Transparency pages \(Council's website\)](#)