

# Audit Committee

25<sup>th</sup> January 2018



**Report of:** Head of Paid Service

**Title:** Draft Code of Corporate Governance

**Ward:** Citywide

**Officer Presenting Report:** Chief Internal Auditor

## Recommendation

The Audit Committee review and recommend the revised Code of Corporate Governance for approval.

## Summary

The Council is required by the Accounts and Audit Regulations 2015 to prepare an Annual Governance Statement to accompany its published financial statements. This should incorporate a review of the effectiveness of the Council's own Code of Corporate Governance, which was last revised in 2014. This paper, therefore, refreshes the current Code of Corporate Governance.

## The significant issues in the report are:

- The requirement for a Code of Corporate Governance.
- How the Council complies with the framework applicable to local government.



## Policy

1. Publication of an Annual Governance Statement is a requirement of the Accounts and Audit Regulations 2015. Additionally, the Council's Risk Management Policy requires the Audit Committee to review the Annual Governance Statement to ensure it accurately reflects the internal control, risk management and governance arrangements in place.

## Consultation

2. **Internal**  
Deputy Mayor, Monitoring Officer and Deputy Monitoring Officer, Section 151 Officer, Strategic Leadership Team (SLT).
3. **External**  
Not applicable.

## Context

4. The Code of Corporate Governance is intended to support the leadership of the Council with developing and maintaining robust governance arrangements. The Code is based upon the CIPFA/ Solace "*Delivering Good Governance in Local Government Framework 2016*" which sets out the following seven core principles:
  - Behaving with Integrity;
  - Ensuring Openness;
  - Defining Outcomes;
  - Determining Effective Interventions;
  - Developing Capacity;
  - Managing Risks and Performance; and
  - Transparency and Effective Accountability.
5. The Code provides details of:
  - The purpose and basis;
  - How Bristol ensures good governance;
  - Governance oversight and accountability framework within the Council;
  - How Corporate Governance arrangements are monitored and reported;
  - Responsibilities for maintaining the Code; and
  - How Bristol complies with the seven core principles.

## Proposal

6. The Audit Committee review and refresh the revised Code of Corporate Governance for approval.

## Other Options Considered

7. None necessary

## Risk Assessment

8. The need to maintain a robust risk, governance and control framework environment is pivotal to the effective operations of the Council's functions, a statutory requirement of the Accounts and Audit Regulations 2015, and an implied requirement of the External Auditor.

Failure to maintain and, where required, improve this environment will not only impact on the proper practices of the Council, but will also be in breach of the Accounts and Audit Regulations 2015 and may attract an adverse opinion from the External Auditor.

## Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - tackle prejudice; and
    - promote understanding.
- 8b) No equality impact anticipated from this report.

## **Legal and Resource Implications**

### **Legal**

See Consultation section above.

### **Financial**

#### **(a) Revenue**

Not applicable.

#### **(b) Capital**

Not applicable.

### **Land/Property**

Not applicable

### **Human Resources**

Not applicable.

### **Appendices:**

Appendix A – Draft Local Code of Corporate Governance

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

### **Background Papers:**

“Delivering Good Governance in Local Government Framework” – CIPFA/Solace 2016

“The International Framework - Good Governance in the Public Sector” – CIPFA/IFAC 2014