

Audit and Procurement Committee

16 March 2020

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director Approving Submission of the report:**

Director of Finance and Corporate Services

**Ward(s) affected:**

N/A

**Title:**

Code of Corporate Governance

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**Is this a key decision?**

No

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**Executive Summary:**

The Council approved a Code of Corporate Governance in April 2017. The Code and associated guidance provides a framework to help ensure that the Council's governance arrangements are up to date and reflect best practice. A Corporate Governance Board monitors progress and activity against the Code and this report summarises the outcome of the review work carried out during the last year which will inform the Annual Governance Statement which will be presented to the Audit and Procurement Committee in June as part of its consideration of the statement of accounts for 2019/20.

**Recommendations:**

The Audit and Procurement Committee is recommended to note progress and next steps being considered to maintain sound corporate governance arrangements and make any recommendations for consideration as part of the development of the Annual Governance Statement.

**List of Appendices included:**

Appendix 1: Code of Corporate Governance

Appendix 2: Code of Corporate Governance - Summary of activity and proposed action

**Background papers:**

None

**Other useful documents:**

Delivering Good Governance in Local Government: Framework (2016 edition)

Delivering Good Governance in Local Government: Guidance for English Local Authorities (2016 edition)  
(Governance Services, Room 79, Council House)

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## **Report title: Code of Corporate Governance**

### **1. Context (or background)**

- 1.1 Coventry City Council has a range of measures in place to ensure that governance in the organisation is managed effectively and works hard to ensure that these arrangements are robust and meet best practice. In reality this is achieved through a range of policies, plans, procedures such as the Constitution (including codes of conduct for Members and employees), the Council Plan, the Medium-Term Financial Strategy and policies on whistle blowing, tackling fraud and corruption and managing risk.
- 1.2 The Council updated its Code of Corporate Governance (Appendix 1) in April 2017 to reflect national guidance and best practice. The Code provides a framework against which the organisation's governance arrangements can be assessed to ensure that the principles of the code are being met, that there are systems and processes in place to measure their effectiveness and that gaps in policies, performance or assurance are identified and appropriate actions developed.
- 1.3 The Council has introduced a Corporate Governance Board to ensure the Council's governance arrangements are kept under review and amended and updated to reflect best practice and ensure they are effective. Local authorities are required to conduct a review at least once every financial year of the effectiveness of their governance framework and to report on this review with its Statement of Accounts. The Audit and Procurement Committee is responsible for approving the Annual Governance Statement alongside the Statement of Accounts. The Code of Corporate Governance is one element in informing this process.

### **2. Options considered and recommended proposal**

- 2.1 Progress made on strengthening the Council's governance arrangements and meeting the standards set out in the Code during the last year has included:
  - Review and update of the Member Code of Conduct;
  - Launch of a "Cause for Concern" page on the intranet to improve signposting for concerns including whistleblowing, fraud and corruption;
  - Introduction of a new Equality, Diversity and Inclusion Policy
  - A review of Contract Procedure Rules for consideration by Council;
  - A review of Finance Procedure Rules for consideration by Council.More information is provided at Appendix 2 to the report.
- 2.2 A number of actions that will help to strengthen the Council's corporate governance arrangements over the coming year have also been identified and these are included in Appendix 2 to the report.

### **3. Results of consultation undertaken**

- 3.1 No consultation has been undertaken.

### **4. Timetable for implementing this decision**

- 4.1 Reviewing the Council's progress against the Code supports the development of the Annual Governance Statement. The Statement will detail key governance and control issues facing the Council in the coming year and will be considered by the Audit and Procurement Committee in June.

## **5. Comments from Director of Finance and Corporate Resources**

### **5.1 Financial implications**

There are no direct financial implications arising from this report. Ensuring that the Code is up to date and reflects best practice will support robust internal control and strong financial management.

### **5.2 Legal implications**

The Accounts and Audit Regulations 2015 require that local authorities produce an Annual Governance Statement as part of their Statement of Accounts but there are no direct legal implications arising from this report.

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's Plan?**

The Code is an important part of the framework and assurance process that helps to ensure that governance arrangements for decision-making and implementation of the Council's policies, plans and procedures are effective.

### **6.2 How is risk being managed?**

Robust internal control, including ensuring effective arrangements for risk management, is a principle of the Code. Building the Code into the annual cycle for reviewing governance and internal control will help to ensure that any risks that could impact on effective corporate governance are identified and addressed

### **6.3 What is the impact on the organisation?**

The Code provides the framework for the key policies, plans, protocols and systems which support good governance across the Council. Ensuring the Council reviews its governance arrangements and developing appropriate actions will over time strengthen governance arrangements throughout the organisation.

### **6.4 Equality and Consultation Analysis (ECA)**

One of the principles of the Code is that the rule of law is respected and that it provides a further check that equalities legislation is being adhered to.

## 6.5 Implications for (or impact on) climate change and the environment

One outcome of the recent revisions to the national guidance was to build sustainable economic, social and environmental benefits into the framework and this has been incorporated into Coventry's Code.

## 6.6 Implications for partner organisations?

Ensuring openness and comprehensive stakeholder engagement is one of the key principles of the Code and will support effective partnership working.

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Place

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### Demonstrating the principles of good Corporate Governance

<b>Principles</b>	<b>Sub principles</b>	<b>The Council does this by</b>
A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Behaving with integrity	Ensuring members and officers behave with integrity and creating a culture which focuses on acting in the public interest.
	Demonstrating strong commitment to ethical values	Ensuring that Members, officers and external service providers understand and demonstrate the ethical values of the Council, which are set out in our policies and procedures.
	Respecting the rule of Law	Ensuring members and officers demonstrate a strong commitment to the rule of the law and adhere to relevant laws and regulations.
B: Ensuring openness and comprehensive stakeholder engagement	Openness	Ensuring an open, accessible and transparent culture which underpins decision-making.
	Engaging with citizens and stakeholders	Effectively engaging with citizens, service users and stakeholders, ensuring that communication and engagement methods are effective and that feedback mechanisms are in place.
C: Defining outcomes in terms of sustainable economic, social, and environmental benefits	Defining outcomes	The Council has a clear vision which sets out what it is planning to achieve and how it will monitor and report progress.
	Sustainable economic, social and environmental benefits	Considering and balancing the combined economic, social and environmental impacts of policies, plans and decisions and ensure fair access to services.
D: Determining the interventions necessary to optimise the achievement of the intended outcomes	Identifying the right course of action	Ensuring decision makers have the information they need.
	Planning action	Establishing and implementing robust planning and performance cycles, underpinned by effective resource planning.
	Maximising outcomes	Ensuring that resources are used in the most effective way to support the Council's priorities

<b>Principles</b>	<b>Sub principles</b>	<b>The Council does this by</b>
E: Developing the Council's capacity including the capability of its leadership and the individuals within it.	Developing capacity	Maximising the capacity of the Council by making sure its assets, resources, partnerships and employees are as effective as possible.
	Developing strong leaders	Developing the leadership skills and capacity of members, senior managers and employees to meet the challenges facing the Council.
F: Managing risks and performance through robust internal control and strong public financial management	Managing risk	Recognising that risk management is an integral part of Council business and decision-making.
	Managing performance	Monitoring service delivery effectively and ensuring an effective scrutiny function is in place to provide constructive challenge.
	Robust internal control	Ensuring effective arrangements for risk management, counter fraud and anti-corruption arrangements are in place and that the Audit and Procurement Committee provides effective assurance.
	Managing data	Ensuring effective arrangements are in place to identify information assets and risks and for the safe collection, storage, use and sharing of data.
	Strong financial management	Ensuring financial management supports short-term financial and operational performance as well as longer-term aims.
G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Implementing good practise in transparency	Ensuring reports used for decision making are clear, balanced and easy to read.
	Implementing good practices in reporting	Reporting regularly on performance, value for money and use of resources.
	Assurance and effective accountability	Ensuring that learning, improvements and corrective actions from audit, peer challenges, reviews and inspections are acknowledged, and appropriate changes are made.