

Division(s): N/A

## **AUDIT & GOVERNANCE COMMITTEE - 20 APRIL 2016**

### **CODE OF CORPORATE GOVERNANCE**

**Report by the County Solicitor and Monitoring Officer**

#### **Introduction**

1. The Audit & Governance Committee has within its Terms of Reference responsibility for governance. The views of the Committee are therefore sought on the Code of Corporate Governance a copy of which is included as an Annex to this report.
2. The Code is a key feature of the Council's corporate governance framework. The Council had previously agreed that the Code should be reviewed by Committee every two years. The Monitoring Officer has therefore reviewed the Code with appropriate managers and has updated the evidence column.

#### **Origin and purpose of the Code**

3. The Code of Corporate Governance builds on the key elements of good governance including:
  - robust systems and processes
  - effective leadership
  - high standards of behaviour
  - a culture based on openness and honesty and
  - an external focus on the needs of service users and the public.
4. Corporate governance, as an issue, came to prominence in early 1990 following several major financial scandals. Subsequent reports that looked at local government identified ten principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership, respect for others, duty to uphold the law and stewardship (using resources prudently).
5. In 2012, the Chartered Institute of Public Finance and the Society of Local Authority Chief Executive's produced updated guidance identifying the principles that should underpin the governance of each local authority, and advocating a structured approach to assist individual authorities to achieve good governance. A framework of national guidance on corporate governance was developed as a result.
6. This has been widely adopted by individual local authorities – including Oxfordshire - within their local codes. Until recently, external auditors'

judgements on the Council's performance also took the Code into account. This is no longer the case.

7. Now, in the changing context of local government, with more emphasis placed on efficiency, transparency, accountability and engagement, the Code serves as a practical evidence base of a commitment to good governance. This is distinct from the Annual Governance Statement which the Council considers to be the prime statement of its corporate governance framework and which describes how the Council has complied with the Code.
8. It is proposed that the Code should continue to be formally reviewed every two years.

### **Content and amendments**

9. The Code is structured around six principles:
  - An emphasis on the purpose of the authority and on outcomes for the community; creating and implementing a vision for the local area
  - Councillors and officers working together to achieve a common purpose with clearly defined functions and roles
  - Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
  - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
  - Developing the capacity and capability of councillors and officers to be effective
  - Engaging with local people and other stakeholders to ensure robust public accountability.
10. A range of evidence is therefore listed under each of these themes within the Code. No major changes are envisaged at this time. Rather, the 'evidence column' has been updated by the relevant officers to include more recent initiatives, policies and plans which demonstrate the Council's compliance.

### **RECOMMENDATIONS**

11. **The Committee is RECOMMENDED to:**
  - (a) **comment upon the Code;**
  - (b) **subject to any amendments agreed at the meeting, amend and update the Code of Corporate Governance for Oxfordshire County Council;**
  - (c) **agree that the Code continues to be reviewed every two years.**

**NICK GRAHAM**  
Monitoring Officer

Background Papers: Nil

Contact Officer: Nick Graham Tel: (01865 323910)

April 2016