

<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>21 NOVEMBER 2023</b>
<b>Report Title:</b>	<b>CODE OF CORPORATE GOVERNANCE</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules: ‘</b>	<b>The Code, once approved by Cabinet, will form part of the policy framework.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The Code of Corporate Governance was approved by Cabinet on 7 February 2023. Since then the Code has been shared with Governance and Audit Committee, who made a small number of minor recommendations to update the Code.</li> <li>• The updated Code is therefore attached at <b>Appendix A</b> and brought to Cabinet to approve with the minor changes incorporated.</li> </ul>

## **1. Purpose of Report**

1.1 The purpose of this report is to present to Cabinet the Council's updated Code of Corporate Governance (**Appendix A**) for approval.

## **2. Background**

2.1 Regulation 5 (2) of the Accounts and Audit (Wales) Regulations 2014 requires an authority to undertake, as part of its arrangements for corporate governance, an annual review of governance and report on internal control.

2.2 In 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) published '*Delivering good governance in Local Government: Framework*' which positions the attainment of sustainable economic, social and environmental outcomes as a key focus of governance process and structures. The associated guidance notes considered the Well-being of Future Generations (Wales) Act 2015 and embedded the five ways of working into the CIPFA framework.

2.3 The Council has a Code of Corporate Governance that follows the seven core principles of CIPFA's Framework. The Code was updated and approved by Cabinet on 7 February 2023.

### 3. Current situation / proposal

3.1 The Code of Corporate Governance is based on the following seven core principles as set out in the CIPFA Framework:

Core Principle	Description
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of 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 entity'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 practice in transparency, reporting, and audit to deliver effective accountability.

Below the core principles there are 21 sub-principles and, to achieve good governance, the Council should be able to demonstrate that its governance structures comply with the core and sub-principles contained in the Framework. Details of the sub-principles are set out in **Appendix A** at paragraph 6.4. To demonstrate the Council's good governance, each Core and sub-principle has been identified, with actions and evidence to support those actions identified.

3.2 The Code of Corporate Governance has been reviewed by the Governance and Audit Committee as part of their responsibility to review and scrutinise the appropriateness of the Council's corporate governance arrangements. The Committee noted a number of minor amendments, as set out below:

- The Code should be subject to frequency of change guidelines
- The reference to 'strong public management' should be reworded to 'strong public financial management'
- Some minor changes especially in regard to net zero and data could be made to the document.

3.3 The following changes have been made as identified within **Appendix A**.

- Page 16 – Net Zero Carbon Strategy and declaration of climate emergency and Climate Emergency Response programme added to the Sustainable economic, social and environmental benefits section

- Page 26 – amended the Managing Data section to include the following:
  - Public Sector Broadband Aggregation
  - Memorandum of Understanding with Department for Work and Pensions
  - Audit Wales undertake a variety of audits including Statement of Accounts, grant, performance reviews both local and national.
- Page 26 – amended ‘strong public management’ to ‘strong public financial management’
- Page 31, added to paragraph 7.3 ‘The Code of Corporate Governance will be reviewed on an annual basis, the outcome of which will be reported to the Governance and Audit Committee and any changes will be approved by Cabinet.’

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The Act requires public bodies, including local government, to consider the longer term in making their decisions and to work collaboratively with other public bodies to improve well-being in Wales. The Act sets out seven well-being goals for public bodies and requires them to act in a sustainable way. It also sets out five ways of working that public bodies are required to take into account when applying the sustainable development principle. The Act is central to the Welsh Government’s long-term policy for the public services and its themes tie in with the *Delivering Governance in Local Governments: Framework* (CIPFA/SOLACE, 2016). This framework, on which the Council’s Code of Corporate Governance is based, identifies the Core Principles and the Sub-Principles that underpin these and the Code demonstrates how the Council will meet the requirements of these Core and Sub-Principles required of the Act.

#### **6. Climate Change Implications**

- 6.1 The Climate Change implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the environment because of this report.

#### **7. Safeguarding and Corporate Parent Implications**

- 7.1 The Safeguarding and Corporate Parenting implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon Safeguarding and Corporate parenting because of this report.

## **8. Financial Implications**

8.1 There are no financial implications arising from this report.

## **9. Recommendation**

9.1 It is recommended that Cabinet consider and approve the amendments to the Code of Corporate Governance as set out in **Appendix A**.

## **Background documents**

None