

FINANCE, AUDIT & RISK COMMITTEE
13 March 2024

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: LOCAL CODE OF CORPORATE GOVERNANCE 2024 AND ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE 2023/24

REPORT OF: POLICY AND COMMUNITIES MANAGER

EXECUTIVE MEMBER: [NON-EXECUTIVE FUNCTION]

COUNCIL PRIORITY: PEOPLE FIRST, SUSTAINABILITY, BRIGHTER FUTURE TOGETHER.

1. EXECUTIVE SUMMARY

1.1. For the Finance, Audit & Risk Committee to approve the Local Code of Corporate Governance for 2024; and to review the progress of the Annual Governance Statement (AGS) Action plan for 2023/24

2. RECOMMENDATIONS

2.1. Approve the Local Code of Corporate Governance 2024 (Appendix A).

2.2. Note the current position with the AGS Action Plan (Appendix B)

3.0 REASONS FOR RECOMMENDATIONS

3.1 It is recommended practice to review the Local Code of Corporate Governance each year to ensure it remains up to date and relevant.

3.2 Reviewing the AGS Action Plan during 2023/24 provides the Committee with assurances that NHDC is following through with recommended changes and/or improvements to its governance arrangements.

4.0 ALTERNATIVE OPTIONS CONSIDERED

4.1 There are no alternative options to be considered.

5.0 CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. No other external or Member consultation has been undertaken on the content of the report. With regards to the Action Plan, the Council's external auditors and Shared Internal Audit Service (SIAS) were given the opportunity to comment on the AGS 2023/24. Finance, Audit, and Risk Committee Members were also given the opportunity to comment on the draft AGS and Action Plan at Committee before this was finalised. The AGS referred to assurances provided from various sources for the 2023/24 period. The Action Plan was based on recommended action and planned review procedures by SIAS, Leadership Team (comprised of the Managing Director and Service Directors) and relevant Service Managers.

6.0 FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has not been referred to in the Forward Plan.

7.0 BACKGROUND

Local Code of Corporate Governance:

- 7.1 It is recommended good practice for the Local Code of Corporate Governance ('the Local Code') to be reviewed annually. It was last updated in March 2023. It was based on the (2016) CIPFA/ SOLACE Framework Delivering Good Governance in Local Government Framework 2016 Edition principles. This remains the basis for an assessment of governance arrangements for the 2023/24 period. The Council's vision and objectives for the period 2022-2027 (approved in September 2021) have been added in at Section 4 of Appendix A.

- 7.2 If the Code is approved by this Committee, it will be placed on the NHC Corporate Governance internet page. Confirmation of the updated Code shall be provided to Members through the MIS process and to employees via the *Insight* monthly staff briefing.

- 7.3 The Code and the CIPFA/SOLACE Framework will then provide the effective scheme against which the AGS operational governance compliance will be measured.

Action Plan:

- 7.4 The last AGS (2022/23) was approved at the Finance, Audit and Risk Committee on 13th September 2023. This included an Action Plan to be reviewed bi-annually. The updated position is provided in Appendix B.

8.0 RELEVANT CONSIDERATIONS

- 8.1. The Local Code 2024 is at Appendix A.

9.0 LEGAL IMPLICATIONS

- 9.1 The Accounts and Audit (Amendment) Regulations 2022 extended the deadline for the audit of accounts to no later than the 30th September for 2023 to 2027. Otherwise, the legal implications are set out under section 7 above.

- 9.2.1 The Terms of Reference of this Committee under 10.1.5(i) are: "*To ensure that an annual review of the effectiveness of internal controls (accounting records, supporting records and financial) systems is undertaken and this review considered before approving the Annual Governance Statement.*" Review and approval of the AGS is a non-executive function and falls within the Committee's remit.

10.0 FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report.

11.0 RISK IMPLICATIONS

- 11.1 Good risk management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

11.2 Ineffective corporate governance arrangements have a number of inherent risks in the context of organisational management, the use of resources and service delivery. Approving a Local Code of Corporate Governance based on the national CIPFA/SOLACE Framework is a means of mitigating potential risks.

12.0 EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 There are no direct equality implications of this report. Where relevant, the Council's arrangements have been assessed against the 2016 Framework Principles. In respect of those arrangements, the SMT AGS self-assessment identifies the procedures in place and any outcomes. Council reports include any equality implications and are assessed by the Corporate Policy Team. Where appropriate an impact assessment will be undertaken, and mitigation measures identified by the report author and Policy team. The Corporate Policy team undertake an Annual Cumulative Equality Impact Assessment of these and publishes it on the Council's website¹.

13.0 SOCIAL VALUE IMPLICATIONS

13.1 The Social Value Act and "go local" policy do not apply to this report.

14.0 ENVIRONMENTAL IMPLICATIONS

14.1 There are no known Environmental impacts or requirements that apply to this report.

15.0 HUMAN RESOURCE IMPLICATIONS

15.1 There are no direct human resource implications relating to this report.

16.0 APPENDICES

16.1 Appendix A – Local Code of Governance 2024

16.2 Appendix B – AGS Action Plan Update

17. CONTACT OFFICERS

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¹ <https://www.north-herts.gov.uk/sites/northherts-cms/files/Cumulative%20EiA%20assessment%20201920%20FINAL.pdf>

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17. BACKGROUND PAPERS

17.1 The [Finance, Audit & Risk Report](#) and Appendix A (March 2023)

17.2 The [Local Code of Governance](#), updated in March 2023