
Annual Review of the Council's Local Code of Corporate Governance

Governance & Audit Committee

Decision to be taken by: Governance & Audit Committee

Date of meeting: 13 March 2024

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Kirsty Cowell
- Author contact details: Kirsty.Cowell@Leicester.gov.uk
- Report version number: 1

1. Summary

- 1.1. To present the Local Code of Corporate Governance to the Audit and Risk Committee for approval.

2. Recommended actions/decision

- 2.1 The Governance & Audit Committee is recommended to:
 - Approve the Local Code of Corporate Governance 2024/25, Appendix 1

3. Background

- 3.1 The Council has a Local Code of Corporate Governance and a Governance & Audit Committee. The committee has prescribed terms of reference that form part of the Council's constitution and are designed to enable to Committee to discharge its functions both as 'those charged with governance' generally and as 'the Board' under the Public Sector Internal Audit Standards (PSIAS)
- 3.2 There are clear linkages between these components in making up the Council's overall system of corporate governance. In order that they remain relevant and fit for purpose, each of these documents is subject to regular review.
- 3.3 Reporting on actual compliance (i.e., what we have achieved as an organisation in this regard) will be reported in due course through the Annual Governance Statement which is presented alongside the Statement of Accounts.
- 3.4 The Governance & Audit Committee's terms of reference were reviewed as part of the change from the Audit & risk Committee and approved by Full Council on 6 July 2023.

4. Local Code of Corporate Governance

- 4.1 A central component of the Council's system of governance is its Local Code of Corporate Governance. This reflects the main components set out in the CIPFA and SOLACE guidance Delivering Good Governance in Local Government: Framework. The Local Code is a public statement of the arrangements the Council has in place to ensure it conducts its business in a way that upholds the highest standards.

4.2 The Local Code of Corporate Governance is therefore an important part of the Council's public accountability. It is important it remains fit for purpose, as each year the Council conducts a review of compliance with the Code. The results of this feed into the annual review of the effectiveness of the Council's system of internal control, thereby contributing to the Annual Governance Statement.

4.3 The Code was refreshed for 2023/24 to ensure it sets out the Council's objectives and reflects the controls in place. It has been reviewed for 2024/25 and reference to a number of key plans updated.

4.4 The Local Code of Corporate Governance is given at Appendix 1.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

Adequate and effective systems of corporate governance and assurance and an effective Governance & Audit Committee are all central components in the processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Such arrangements support the processes of audit and internal control that will help the Council as it faces financially challenging times.

5.2 Legal implications

Part 2 of the Accounts and Audit (England) Regulations 2015 obliges the Council to ensure that the financial management of the Council is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk. The Council must conduct a review at least once in a year of the effectiveness of its system of internal control and following the review, must approve an annual governance statement.

Kevin Carter, Head of Law Ext 4197

5.3 Equalities implications

There are no direct equalities implications arising from the report. Good corporate governance underpins confidence in public services and should be transparent to all stakeholders. Corporate governance is about the systems, processes, and values by which the Council operates and by which it engages with, and is held accountable to, our communities and stakeholders. Ensuring openness and comprehensive stakeholder engagement is important in effective corporate governance.

Equalities Officer, Surinder Singh, Ext 37 4148

5.4 Climate Emergency implications

There are no significant climate emergency implications directly associated directly with this report.

Aidan Davis, Sustainability Officer, Ext 37 2284

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Sustainable and Environmental	No	
Crime and Disorder	Yes	This report is concerned with effective systems of governance and control, which are an important safeguard again
Risk Management	Yes	The whole report concerns the governance and assurance processes, a main purpose of which is to give assurance to Directors, the Council and this Committee that risks are being managed appropriately by the business.

6. Background information and other papers:

- Governance & Audit Terms of Reference presented to Council 6 July 2023
- Annual review of the Council's Local Code of Corporate Governance presented to Audit & Risk Committee 18 January 2023.

7. Summary of appendices:

Appendix 1 – Local Code of Corporate Governance

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”? If so, why?

No

Local Code of Corporate Governance 2024/25

INTRODUCTION

The Council's Code of Corporate Governance is based on the CIPFA/SOLACE publication "Delivering Good Governance in Local Government Framework 2016"

The International Framework defines Governance as arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework goes on to state to deliver good governance in the public sector both governing bodies and individuals working for them must aim to achieve their entity's objectives while acting in the public interest at all times.

Leicester City Council is committed to the principles of good corporate governance as identified in the CIPFA/SOLACE guidance. Its commitment is confirmed through the adoption of its Local Code of Corporate Governance and its publication of the Annual Governance Statement.

This document sets out Leicester City Council's *Local Code of Corporate Governance for 2024/25* and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives.

CORE PRINCIPLES

The Council's Code of Corporate Governance is based on the seven core principles. The illustration below shows the principles of good governance in the public sector and how they relate to each other.

Achieving the Intended Outcomes While Acting in the Public Interest at All Times



HOW THE COUNCIL ENSURES GOOD GOVERNANCE

The following details how the Council ensures good governance and complies with the CIPFA/SOLACE “Delivering Good Governance Framework” (2016).

Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
We have the following codes and rules which are followed:
<ul style="list-style-type: none">• Constitution
<ul style="list-style-type: none">• Financial Procedure Rules
<ul style="list-style-type: none">• Code of Conduct for Members
<ul style="list-style-type: none">• Code of Conduct for Employees
<ul style="list-style-type: none">• Anti-fraud, Bribery & Corruption Policy
<ul style="list-style-type: none">• Whistleblowing Policy
<ul style="list-style-type: none">• Information Governance & Risk Policy
<ul style="list-style-type: none">• Anti-Money Laundering Policy

Ensuring openness and comprehensive stakeholder engagement.

We show openness and engagement through the following:

- Open Council & committee meetings with published minutes
- Published Executive Decisions
- Scrutiny of Executive projects through commissions
- Call in periods for Executive decisions
- Public engagement through consultation, representations and petitions
- Use of social media engagement on key projects and partnership working
- Publication of Freedom of Information Act responses and transparency data

Defining outcomes in terms of sustainable economic, social and environmental benefits

The City Mayor has set out a strategic vision underpinned by ten priorities which relate to:

- Supporting people
- Supporting communities
- A good home
- A good job
- Safe, clean streets
- Climate ready
- Our well-being

- Our children and young people

- Our quality of life

- Our care services

Determining the interventions necessary to optimise the achievement of the intended outcomes

The priorities are supported by the following key plans:

- Budget Strategy

- Leicester's Care, Health and Wellbeing Strategy 2022-2027

- Knife Crime and Serious Violence Strategy 2021-2023

- Local Transport Plan 2011-2026

- Tourism Action Plan 2020-2025

- Active Leicester 2023-2028 Strategy

- Voluntary, Community and Social Enterprise Engagement strategy: 2023-2027

Examples of the Council's commitment to achieving good governance in practice is demonstrated below

Principle: Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Council is supported by:

- Democratic services including Member and Civic Support Services, who also support member development
- An Organisational Development Team, who ensure effective development of employees
- A communications function which includes PR, Media and Digital Media Teams
- A staff intranet and established internal communication channels, which provide guidance to staff
- Partnership working on key priorities
- An Information Governance Team to support our data policies
- Specialist teams offering professional advice, for example Legal, Procurement, IT and Finance

Principle: Managing risks and performance through robust internal control and strong public financial management

We review processes and delivery throughout the year supported by:

- Internal Audit
- External Audit
- Information Governance
- Governance & Audit Committee

<ul style="list-style-type: none"> • Regular reporting of Capital and Revenue spend during a year
<ul style="list-style-type: none"> • Annual review of the Local Code of Corporate Governance
<ul style="list-style-type: none"> • Annual review of the Assurance Framework
<p>Principle: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>
<p>How the Council demonstrates good practice and ensures accountability:</p>
<ul style="list-style-type: none"> • External Audit
<ul style="list-style-type: none"> • Annual Financial Statements
<ul style="list-style-type: none"> • Annual Governance Statement
<ul style="list-style-type: none"> • Open Council & committee meetings with published minutes
<ul style="list-style-type: none"> • Compliance with CIPFA codes of Practices
<ul style="list-style-type: none"> • Scrutiny Committees
<ul style="list-style-type: none"> • External inspections and reviews of services

Additional information on many of the areas detailed above can be found on the Council's website; [Home - Leicester City Council](#)

ANNUAL REVIEW OF GOOD GOVERNANCE

The Council is annually required to assess how effective its governance arrangements are and report this through the Annual Governance Statement. The assessment of the Council's effectiveness is completed by following the framework below.



