



**Audit and Governance Committee
26 May 2016**

Governance Strategy and Code of Corporate Governance

Purpose of the report:

This report provides the committee with an update on the changes made to the council's Governance Strategy and Code of Corporate Governance.

Recommendations

The Committee is asked to approve the updated Code of Corporate Governance (Annex B) and commend it to the County Council for inclusion into the Constitution.

Governance Strategy

- 1 The council's Governance Strategy, attached at Annex A, clearly sets out the meaning of governance and the benefits of good governance in alignment with the Corporate Strategy. The strategy is underpinned by the Code of Corporate Governance.
- 2 The Governance Strategy for the period 2016-21 has been reviewed by the Governance Panel¹ and Statutory Responsibilities Network. Key changes include:
 - 'Our core governance principles' section has been updated to reflect the revised principles within the Code of Corporate Governance (see paragraph 6 below); and
 - Revised bullets under the 'In 2016/17 we will' section to reflect the areas detailed in the 'Focus for 2016/17' section of the 2015/16 Annual Governance Statement.

Code of Corporate Governance

- 3 The Local Government Act 2000 places a reliance on local authorities to review their governance arrangements and operate through a local governance framework, which brings together requirements, governance principles and processes.

¹ Consisting Director of Legal, Democratic and Cultural Services (Chair), Director of Finance, senior representatives from HR and Strategy & Performance, Chief Internal Auditor, Risk and Governance Manager

- 4 Surrey County Council's Code of Corporate Governance meets those requirements by outlining the council's commitment to good governance and providing a robust framework of policies and procedures that underpin compliance with the governance principles. It also sets out the mechanisms for monitoring and reviewing the corporate governance arrangements.
- 5 An annual review of the Code of Corporate Governance has been undertaken to ensure that it is fit for purpose and reflects the authority's approach and commitment to good governance. The Governance Panel approved the updated Code of Corporate Governance at its meeting on 27 April 2016 and it is attached at Annex B.
- 6 Key changes are outlined below:

Section	Page	Changes
Core governance principles	5	The six core governance principles have been updated to reflect the new governance framework for local authorities - Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016).
Supporting governance documents	10	Inclusion of the Behaviours Framework and Governance Strategy.

Implications

Financial

- 7 There are no direct financial implications of this report.

Equalities

- 8 There are no direct equalities implications of this report.

Risk management

- 9 An effective governance and internal control environment leads to improved performance and outcomes for residents.

What happens next

The Code of Corporate Governance will be presented to County Council for inclusion into the Constitution.

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Sources/background papers: Governance Panel papers, working papers, Cipfa/Solace Framework for Delivering Good Governance in Local Government, The Code of Corporate Governance
