

**To the Chair and Members of the
ELECTIONS AND DEMOCRATIC STRUCTURES COMMITTEE**

DRAFTING OF A LOCAL CODE OF CORPORATE GOVERNANCE FOR DONCASTER

EXECUTIVE SUMMARY

1. Good practice national guidance recommends that all councils establish a formal local code of governance thereby demonstrating their commitment and intent to good governance in their affairs. This report seeks the views of the Elections and Democratic Structures Committee on a draft local code of corporate governance for Doncaster; such a draft code will be subject to subsequent consideration by the Standards Committee prior to any formal recommendations being considered by Full Council.

RECOMMENDATION

2. The Committee is recommended to consider the attached draft of a Local Code of Corporate Governance for Doncaster (Appendix 1), making revisions to the draft item and making any necessary recommendations to Full Council, subject to the views of Standards Committee.

BACKGROUND

3. In 2007 the Chartered Institute of Accountancy and Public Finance, the Society Of Local Authority Chief Executives, the Local Government Association and the Audit Commission jointly produced national guidance, 'Delivering Good Governance in Local Government: A Framework. This document endorsed some earlier guidance on governance in local government (CIPFA/SOLACE Framework Corporate Governance in Local Government: A Keystone for Community Governance) that each Council should produce a local code of corporate governance.
4. Such a local code of corporate governance fulfils several important purposes, the principal one being that it sets out each Council's commitment and intent to delivering good governance to its local community.
5. In addition a local code creates a standard for governance by which the local community can assess their local council as well as providing the means to the council of reviewing its own governance arrangements internally. Such a standard will assist the council in the production of its annual governance statement for 2009/10 and thereafter.

DRAFT LOCAL CODE

6. A draft has been prepared of a local code of governance for Doncaster. This is attached at Appendix 1. This is the first local code of corporate governance produced for Doncaster Council. In its annual governance statement for 2008/09 the Council commits to introducing a local code of corporate governance.
7. The local codes produced by other councils tend to be much longer and contain much more detail. In producing the attached draft document, particular efforts have been made to make the code of corporate governance brief and simple so as to be easily readable and merely to give a summary picture with the intention of providing more detail through a fuller supporting framework document that sets out how corporate governance is delivered in Doncaster council. This supporting framework document, summarising the key elements of council's corporate governance arrangements, is provided at Appendix 2.
8. The sharing of this draft document with this Committee is part of the consultation process to assist in the formulation of an appropriate code document. The Mayor and Members are asked to consider the attached draft code of corporate governance (Appendix 1) and the framework document of the council's governance arrangements (Appendix 2) and to comment on the form, contents and helpfulness of these documents in providing information on the council's corporate governance arrangements.
9. When consultation has been completed with this Committee, and any amendments incorporated, the subsequent document will be shared with the Standards Committee to take account of any comments they may have. Following consultation and agreement with all relevant parties the final code of corporate governance will be submitted to full Council for their consideration.

OPTIONS CONSIDERED AND REASON FOR RECOMMENDED OPTION

10. The CIPFA/SOLACE/Audit Commission guidance that constitutes best practice in these matters recommends strongly that all councils should have a local code of corporate governance. It gives some guidance on the format to be used but leaves the final choice to each council to match its own unique position. This format has been adapted to create a two part approach that it is considered will better serve to inform about corporate governance in Doncaster.

IMPACT ON THE COUNCIL'S KEY OBJECTIVES

11. The effectiveness of governance in the Council will impact on the achievement of the Council's key objectives with effective governance leading to improved achievement of all key objectives. The creation of a measure of the council's governance arrangements will help to enhance such arrangements and hence impact positively on achievement across the Council.

RISKS & ASSUMPTIONS

12. The absence of a local code of corporate governance means the council is not following recommended national good practice and will inevitably attract adverse comment from the external auditor. In addition, failure to agree and publish local code of governance means the council fails to meet an objective it

has set for itself through the annual governance statement. The delivery of an appropriate local code of governance will significantly manage both of these risks.

13. The council's governance arrangements include its arrangements for the management of risks. These are covered within the supporting governance framework document. It will be important to ensure that both documents are kept up-to-date and relevant to the Council. It is also important to ensure that these documents are reasonably available to the public and all interested parties.

LEGAL IMPLICATIONS

14. Under Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006 there is a requirement for local authorities to prepare a statement of internal control (now an annual governance statement) in accordance with "proper practices". Whilst there is no legal requirement for a local code of corporate governance such a code will assist in understanding how governance works in the council and in the preparation of the annual governance statement.

FINANCIAL IMPLICATIONS

15. There are no specific financial implications associated with this report.

CONSULTATION

16. The views of the Interim Monitoring Officer and Acting Director of Legal & Democratic Services have been sought on the issues raised in this report. This report consults the Mayor and members over a code of local governance for Doncaster.

BACKGROUND PAPERS

17. CIPFA/ SOLACE 'Delivering Good Governance in Local Government: A Framework.'
CIPFA/ SOLACE 'Corporate Governance in Local Government: A Keystone for Community Governance'

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Appendices

- 1- Draft Local Code of Corporate Governance
- 2- Summary Framework – Corporate Governance Arrangements in Doncaster Council.