

HAMPSHIRE COUNTY COUNCIL

Decision Report

Committee	Audit Committee
Date:	14 December 2023
Title:	The Code of Corporate Governance
Report From:	Director of People and Organisation

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Purpose of this Report

1. The purpose of this report is to inform the Audit Committee about a review of the County Council's Code of Corporate Governance which sets out the commitments to good governance made by the County Council and attaches an appendix which incorporates an evidence document identifying the systems, processes and documentation which demonstrate compliance with the commitments ("the Appendix to the Code of Corporate Governance") and to seek approval of the revised Code of Corporate Governance into the County Council's corporate governance framework. Furthermore, it is proposed that authority be delegated to the Monitoring Officer to approve future amendments to the Appendix to the Code of Corporate Governance to reflect any updates made to the corporate systems, processes and documentation referenced within it.

Recommendation(s)

2. That the Audit Committee consider and approve the revised Code of Corporate Governance as set out in Annex 1 to this Report.
3. That the Audit Committee delegate authority to the Monitoring Officer to approve future amendments to the Appendix to the Code of Corporate Governance to reflect any updates made to the corporate systems, processes and documentation referenced within it.

Executive Summary

4. This report seeks to:
 - Set out the background to the review of the Code of Corporate Governance;

- Present a revised and updated Code of Corporate Governance for approval; and
 - Propose that delegated authority be given to the Monitoring Officer to approve future amendments to the Appendix to the Code of Corporate Governance to reflect any updates made to the corporate systems, processes and documentation referenced within it.
5. Pursuant to Part 1, Chapter 7 of the County Council's Constitution, paragraph 3.2.1, the Terms of Reference of the Audit Committee include monitoring the roles, processes and behaviour that affect the way that governance is exercised within the County Council and in particular the adoption, review and amendment of the Corporate Governance Framework for the County Council within the County Council's Constitution.

Contextual information

6. The County Council's current Code of Corporate Governance was adopted by the Audit Committee on 2 February 2017. It is based upon the principles set out in the "Delivering Good Governance in Local Government: Framework" (The CIPFA Framework) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2016. The Framework sets the highest standard for local authority governance and seeks to ensure that robust arrangements are not only in place but are supported by effective mechanisms for control and risk management. The CIPFA Framework encourages local authorities to ensure that their governance arrangements are kept up-to-date and relevant.
7. The County Council's commitments within its Code of Corporate Governance mirror the core principles and actions set out in the CIPFA Framework and it was identified as part of the review that these remain current. Therefore, no amendment to these commitments is proposed. However, the strategic overview comprising the evidence document identifying the systems, processes and documentation which demonstrate compliance with the commitments contained within the Appendix to the Code of Corporate Governance has been revised and updated for approval by the Audit Committee. A copy of the revised Code of Corporate Governance is attached at Annex 1.
8. During the review, it became apparent that some of the corporate systems, processes and documentation referenced in the Appendix to the Code of Corporate Governance are reviewed and updated annually which may result in regular changes to the names of systems, processes and documentation and/or updated weblinks. It is desirable for the Appendix to the Code of Corporate Governance to remain up-to-date for openness and transparency purposes. Accordingly, it is proposed that the Monitoring Officer be delegated authority to approve future amendments to the Appendix to the Code of

Corporate Governance to reflect any updates made to the corporate systems, processes and documentation referenced within it. Such updates are an administrative function and any substantive changes would be proposed as part of a future review of the full Code of Corporate Governance.

Finance

9. There are no financial implication arising from this report.

Performance

10. In addition to the annual review of the effectiveness of the system of internal control that is undertaken prior to the preparation of the Annual Governance Statement, the Code of Corporate Governance review process serves to prompt officers to consider how the County Council's corporate governance framework might be improved in line with best practice. It is intended that future reviews of the Code of Corporate Governance will be undertaken every two years as feedback from officers participating in the most recent review supported a more regular review cycle.

Consultation and Equalities

11. The review process involved a number of officers who are responsible for corporate systems, processes and documentation within the County Council.
12. An Equality Impact Assessment has been completed which has not identified any impact on equality.

Climate Change Impact Assessment

13. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
14. The carbon mitigation tool and/or climate change adaptation tool were not applicable because the decision relates to a programme and is strategic/administrative in nature.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes/no
People in Hampshire live safe, healthy and independent lives:	yes/no
People in Hampshire enjoy a rich and diverse environment:	yes/no
People in Hampshire enjoy being part of strong, inclusive communities:	yes/no
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because:	
The Corporate Governance Framework is an integral part of the County Council's Governance arrangements.	

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Corporate Governance Framework	<u>Date</u> 02 Feb 2017
Corporate Governance Framework	13 Feb 2014
Direct links to specific legislation or Government Directives	
<u>Title</u> Accounts and Audit Regulations	<u>Date</u> 2015

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

No equality impacts have been identified in relation to the Recommendations in this Report.