

**REPORT OF AUDIT COMMITTEE**  
(Meeting held on 24 March 2017)

**1. LOCAL CODE OF CORPORATE GOVERNANCE – THE NEW FRAMEWORK  
(MINUTE 49)**

The Committee has considered a new local Code of Corporate Governance.

Since 2008 the Council has adopted a Local Code of Corporate Governance based on the framework produced by the Chartered Institute for Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

In 2016 CIPFA/SOLACE carried out a review of their framework to ensure that it still reflects the environment in which Councils are operating and to also reflect the International framework which had been developed by CIPFA and the International Federation of Accountants (IFAC) in 2014.

As a result of their review in April 2016 CIPFA/SOLACE published a new framework document “Delivering Good Governance in Local Government Framework 2016 Edition” with the key focus of governance processes and structures centring on the attainment of sustainable economic, societal and environmental outcomes. The new framework centres on the following 7 core principles:

**A** Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

**B** Ensuring openness and comprehensive stakeholder engagement.

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

**D** Determining how to best optimize the achievement of intended outcomes

**E** Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

**F** Managing risks and performance through robust internal control and strong public financial management.

**G** Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The International Framework notes that principles A and B permeate implementation of principles C to G. Each Local Authority should have a code that reflects these principles and be committed to improving governance on a continuing basis.

The process of evaluation and review will be undertaken annually by the Monitoring Officer (Governance and Regulation Executive Head) and Principal Auditor. This report therefore proposes a revised code for adopting which follows these principles.

A revised code has been drafted and is attached as Appendix 1. This code follows the recommended text in the CIPFA/SOLACE framework.

**RECOMMENDED:**

***It is recommended that the new version of the Local Code of Corporate Governance, as attached as Appendix 1, be approved.***

**CHAIRMAN**  
**CLLR A O’SULLIVAN**