



Report to Audit and Standards Committee

Report of: Interim Director of Legal and Governance

Date: 19th January 2023

Subject: Code of Corporate Governance

Author of Report: David Hollis

Purpose of Report:

The report provides an update to the Council's Code of Corporate Governance.

Recommendations:

That the Committee:-

approves the updated Code of Corporate Governance

Background Papers: NONE

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial & Commercial Implications
NO
Legal Implications
NO
Equality of Opportunity Implications
NO
Climate impact
NO
Tackling Health Inequalities implications
NO
Human Rights implications
NO
Economic impact
NO
Community Safety implications
NO
Human Resources implications
NO
Property implications
NO
Area(s) affected
NONE
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

1. INTRODUCTION & BACKGROUND

- 1.1 This report provides an update to the Council's Code of Corporate Governance.
- 1.2 Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 1.3 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. CIPFA produce a Framework document which is intended to be followed as best practice for developing and maintaining a local code of governance and for discharging accountability for the proper conduct of public business, through the publication of an annual governance statement that will make the adopted practice open and explicit. The Framework defines the principles that should underpin the governance of each local government body. It provides a structure to help individual authorities with their own approach to governance.
- 1.4 Whatever form of governance arrangements are in place, authorities are urged to test their structures against the principles contained in the Framework by:
- Reviewing their existing governance arrangements against this Framework.
 - Developing and maintaining an up-to-date local code of governance, including arrangements for ensuring its ongoing application and effectiveness.
 - Preparing a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.

2. PROPOSALS

- 2.1 The Council's current Code of Corporate Governance was approved by Audit and Standards Committee in October 2020 at a time when the Council was operating executive arrangements. The evidence set out in the Code reflected the role of the executive and in this respect became obsolete when the Council adopted a committee system of governance with effect from its Annual Meeting in May 2022.

The Code of Corporate Governance annexed to this report has been updated to reflect the change in governance arrangements. It sets out how Sheffield City Council complies with the governance framework with reference to the committee system and revised governance documents and will be used to assess our effectiveness as part of the Annual Governance Statement.

3. RISK ANALYSIS & IMPLICATIONS

3.1 Legal Implications

3.1.1 There are no legal implications arising from this report. Local Authorities are not legally required to have a Code of Corporate Governance.

3.2 Financial and Commercial Implications

3.2.1 There are no financial or commercial implications arising from this report.

3.3 Equality of Opportunity Implications

3.3.1 There are no equality of opportunity implications arising from this report.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 None

5. REASONS FOR RECOMMENDATIONS

5.1 The Council's Code of Corporate Governance needed to be updated to reflect the change from executive arrangements to a committee system of governance.