

HERTFORDSHIRE COUNTY COUNCIL

AUDIT COMMITTEE
18 JULY 2018 AT 2.00 PM

Agenda Item
No:

3

CODE OF CORPORATE GOVERNANCE 2018/19

Report of the Director of Resources

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1. Purpose of Report

- 1.1 To provide Audit Committee members with the requested changes in wording to the Hertfordshire County Council Code of Corporate Governance 2018/19 that was originally presented to the Committee at its meeting on 15 May 2018.
- 1.2 Paragraph 4.4 of the Audit Committee minutes for 15 May 2018 included; "With a view to clarifying the role of Members in Internal Audit matters, the Committee requested that officers review the Code of Corporate Governance and bring it back to the July meeting of Audit Committee". The Revised Code of Corporate Governance is appended as Appendix A to this report.

2. Background

- 2.1 The Council's Code of Corporate Governance sets out the standing arrangements that the Council puts in place to ensure good governance and details how the Authority complies with the seven principles of the CIPFA/SOLACE best practice framework *Delivering Good Governance in Local Government 2016*.
- 2.2 The seven principles from the framework are listed below:
 - 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 the interventions necessary to optimise the achievement of the 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.

3 Summary

3.1 Following consultations between the Chairman of the Hertfordshire County Council Audit Committee and the Head of Assurance Services, the following primary amendments to the Code of Corporate Governance 2018/19 have been made:

- a) Code of Governance Principles F and G – The inclusion of reference to the SIAS Audit Charter as a demonstration of how the Authority: *'Maintains an effective Audit Committee that is independent of Cabinet and scrutiny functions'*.
- b) Code of Governance Principle G – The inclusion of reference to the SIAS Audit Charter as a demonstration of how the Authority: *'Has a robust approach to the provision of Internal and External Audit functions'*.
- c) The inclusion of an item under Code of Governance Principle F demonstrating how the how the Authority: *'Ensures appropriate Member challenge to all aspects of the County Council's performance via reporting mechanisms that incorporate both; internal performance information, and external comparative data.'*
- d) The inclusion of a brief glossary of terms

3.2 The insertions referencing the SIAS Audit Charter as set out in a) and b) (above) have been made to clarify the role of Members in Internal Audit matters within the Code.

4. Recommendation

The Committee approves the revised Code of Corporate Governance for 2018/19.