INTERIM INDEPENDENT AUDIT COMMITTEE
27 JUNE 2013

SUBJECT	**CODE OF CORPORATE GOVERNANCE**
REPORT BY	**CHIEF EXECUTIVE & CHIEF FINANCE OFFICER**
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SUMMARY AND PURPOSE OF REPORT To consider and note the Police and Crime Commissioner's Code of Corporate Governance.	
RECOMMENDATION	***That the Committee note the Code of Corporate Governance.***

A. SUPPORTING INFORMATION

1.1 The Chartered Institute for Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework '*Delivering Good Governance in Local Government'* published in 2007 sets the standard for governance in local government in the UK. The Framework is intended to assist local government bodies develop and shape an informed approach to governance and to achieve the highest standards in a measured and proportionate way. The Framework was supplemented by police specific guidance produced by CIPFA in 2012[1].

1.2 The Framework and guidance note outlines six core principles of good governance and translates each one into a range of specific requirements that should be reflected in a local Code of Corporate Governance.

1.3 A local Code of Corporate Governance has been drafted which will ensure that the core good governance principles are fully integrated in the conduct of the Commissioner's business. The draft Code also sets out arrangements for reviewing the effectiveness of the governance framework.

1.4 The Commissioner considered and approved the draft Code of Corporate Governance appended to this report on 20 May 2013. The Committee is invited to note the Code (see Appendix 1).

1.5 Members will note that the Code links to the Annual Governance Statement which is being considered as part of the Financial Statements 2012/13 (see earlier agenda item).

[1] CIPFA 'Delivering Good Governance in Local Government' guidance note for Police.

B. FINANCIAL CONSIDERATIONS

There are no direct financial implications arising from this report.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The Commissioner is under a statutory duty to carry out an annual review of his governance arrangements and to approve a statement of internal control prepared in accordance with "proper practices" - Accounts & Audit Regulations 2003 as amended.

"Proper practices" are not defined in the regulations, but in circular 03/2006 the Department for Communities & Local Government indicated that compliance with CIPFA/SOLACE guidance would satisfy the requirement for proper practices.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES (including any impact or issues relating to Children and Young People.)

The annual review of the Code of Corporate Governance will allow the Commissioner to demonstrate how effective its equality and diversity arrangements are to the governance of the organisation. Should any gaps be identified as part of the annual assessment process these may be subject to an equalities impact assessment.

As part of its governance framework the Commissioner has various policies on employees and employers' rights in the workplace. These will be kept under regular review to ensure that they are fit for purpose for those occasions when the aspirations in the Code of Corporate Governance are not met.

E. REVIEW ARRANGEMENTS

The Code of Corporate Governance will be reviewed annually.

F. RISK MANAGEMENT

The Code of Corporate Governance is a key aspect of robust and effective governance arrangements. Without adequate corporate governance arrangements (which are reviewed regularly), the Commissioner is exposed to the following risks:

- resources are not directed in accordance with agreed policy and accordingly to priorities
- decision making is not sound and inclusive
- no clear accountability for the use of those resources in order to achieve desired outcomes for communities
- service delivery is compromised.

The Commissioner currently monitors a non-critical risk: Failure to ensure effective governance, transparency and compliance with statutory duties with effective overview mechanisms. This is currently mitigated with controls and is currently scored as an Amber 4 risk.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.