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| <b>Report To:</b>             | <b>AUDIT COMMITTEE</b>             |
| <b>Date:</b>                  | <b>29 FEBRUARY 2024</b>            |
| <b>Heading:</b>               | <b>CORPORATE GOVERNANCE UPDATE</b> |
| <b>Executive Lead Member:</b> | <b>NOT APPLICABLE</b>              |
| <b>Ward/s:</b>                | <b>NOT APPLICABLE</b>              |
| <b>Key Decision:</b>          | <b>NO</b>                          |
| <b>Subject to Call-In:</b>    | <b>NO</b>                          |

### **Purpose of Report**

Robust Corporate Governance ensures organisations are doing the right things in the correct manner in an open, honest, inclusive and accountable way. Good governance leads to good management, performance and outcomes. The Council has a framework of policies and procedures in place which collectively make up its governance arrangements.

The report sets out the arrangements for preparing the Annual Governance Statement for 2023/24.

The report also provides the Committee with an update in relation to how the Whistleblowing Policy has operated in the preceding 12 months.

### **Recommendation(s)**

**Committee is asked to note:**

- 1. The process for preparing the 2023/24 Annual Governance Statement;**
- 2. How the Whistleblowing Policy has operated during 2023/24.**

### **Reasons for Recommendation(s)**

It is best practice for the Council to review its Corporate Governance arrangements annually as part of the preparation of the Annual Governance Statement and to compare this to the expectations set out in the Local Code of Corporate Governance.

To ensure the Committee is adequately informed to enable it to monitor the operation of the Whistleblowing Policy in accordance with the Committee's Terms of Reference as set out in the Constitution. To ensure the Whistleblowing Policy is reviewed regularly and kept up to date.

## **Alternative Options Considered**

As the report is for noting, there are no alternative options considered.

## **Detailed Information**

### **Corporate Governance**

#### Introduction

Robust Corporate Governance ensures organisations are doing the right things in the correct manner in an open, honest, inclusive and accountable way. Good governance leads to good management, performance and outcomes. The Council has a framework of policies and procedures in place which collectively make up its governance arrangements. This includes various policies and procedures which set out the Council's approach to preventing, detecting and investigating fraud and corruption.

#### Local Code of Corporate Governance

The Local Code of Corporate Governance sets out the Council's arrangements and is based on the guidance "*Delivering Good Governance in Local Government*" published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in 2016.

The CIPFA/SOLACE guidance identifies seven core principles and various sub principles; the recommended Local Code of Corporate Governance is based on these seven core principles. The seven principles are:

- 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 Council'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 Local Code of Corporate Governance informs the Annual Governance Statement. The Local Code of Corporate Governance is subject to annual review to inform the governance framework for the following year. The Code was reviewed and some minor changes were approved at the meeting of this Committee in November 2023. The Local Code of Corporate Governance will be reviewed and brought back to this Committee towards the end of this calendar year.

## Annual Governance Statement

The Annual Governance Statement (AGS) is prepared in order to publicly report on the extent to which the Council has complied with its Local Code of Corporate Governance. The AGS looks at how the effectiveness of the Council's governance arrangements have been monitored and evaluated during the year and looks at any planned changes. The AGS will be prepared in order to be presented as part of the draft Statement of Accounts which must be produced by 31 May 2024.

The preparation of the AGS will follow the process set out below:

- The initial review of the effectiveness of the Council's governance framework has been conducted by the Council's Executive Director - Governance (Monitoring Officer).
- To inform the process, the Strategic Leadership Team has carried out a Corporate Assurance Assessment and each Executive Director has provided a Statement of Assurance.
- The Constitution review, performance reporting and risk management arrangements will be taken into account.
- The results of all this review work will be set out in a draft Annual Governance Statement prepared by the Executive Director - Governance (Monitoring Officer).
- The Strategic Leadership Team will review the draft Statement and consider whether the improvements proposed represent an appropriate and proportionate response to any significant governance issues identified.
- The draft Governance Statement, modified to reflect the views of the Strategic Leadership Team, will be circulated to existing Members of the Council's Audit Committee.
- The Executive Director - Governance (Monitoring Officer) will finalise the Annual Governance Statement in readiness for the finalisation of the 2023/24 Statement of Accounts.
- The draft Annual Governance Statement will be informally presented to Audit Committee Members in advance of formal approval.
- The Audit Committee at its meeting in July 2024 will be asked to formally approve the draft Annual Governance Statement as part of the draft Statement of Accounts.

## **Whistleblowing Policy**

The Council has in place a Whistleblowing Policy which sets out a process for people to confidently report concerns, such as fraud. This policy makes it clear that people can report their concerns without fear of reprisals.

Paragraph 8.1 of the Whistleblowing Policy states that:

*"The Monitoring Officer has overall responsibility for the maintenance and operation of this policy. This Officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report these to the Standards and Personnel Appeals Committee and the Audit Committee once a year. The Whistleblowing Policy will also be reviewed on a bi-annual basis."*

A review of the policy has been undertaken and no changes are required at this time.

The Standards and Personnel Appeals Committee will receive a whistleblowing update report at its meeting on 19 March 2024.

## Application of Policy during the Preceding 12 Months

During the period starting April 2023 to the present, there have been **three** reports made under the whistleblowing policy drawn to the Monitoring Officer's attention.

Complaint 2023-01

The complaint was raised anonymously. The complaint related to the practices of a third party supported housing supplier. Following internal review of the allegations made, the matter was referred to the Regulator for Social Housing. There were no further actions recommended for the Council to undertake.

Complaint 2023-02

The complaint was raised by a member of the public who made allegations that a member of staff was involved in sending malicious correspondence. The Monitoring Officer carried out an investigation into the allegation and found no evidence of the involvement in such activity by a member of staff. The Monitoring Officer liaised with the police in relation to the allegations. There were no further actions recommended.

Complaint 2023-03

The complaint was raised by a member of public relating to the processes for disposing of the Council's old fleet vehicles. The Monitoring Officer looked into the allegations made. The Council's practices relating to the sale of no longer fit for purpose vehicles had been considered as part of an internal audit review during 2021/22. The internal audit review concluded that there was substantial assurance and made recommendations on how to improve controls further included the procurement process for engaging auction houses for the disposal of old vehicles. The procurement of this service was underway at the time the matter was investigated. As such, satisfactory assurance is in place regarding the sale of old fleet vehicles and therefore no further action was recommended.

Previous Application of Policy

The following table sets out the application of the Whistleblowing Policy for the past 9 years to the present date:

| <b>YEAR</b>  | <b>TOTAL NUMBER OF COMPLAINTS</b> | <b>NO FURTHER ACTION</b> | <b>MANAGEMENT RECOMMENDATIONS</b> | <b>DISCIPLINARY/ GRIEVANCE INVESTIGATION</b> |
|--------------|-----------------------------------|--------------------------|-----------------------------------|--|
| 2015         | 2                                 | 1                        | 1                                 | 0  |
| 2016         | 2                                 | 0                        | 1                                 | 1  |
| 2017         | 3                                 | 1                        | 1                                 | 1  |
| 2018         | 3                                 | 1                        | 0                                 | 2  |
| 2019         | 4                                 | 3                        | 1                                 | 0  |
| 2020         | 1                                 | 0                        | 1                                 | 0  |
| 2021         | 0                                 | 0                        | 0                                 | 0  |
| 2022         | 1                                 | 1                        | 0                                 | 0  |
| 2023         | 3                                 | 3                        | 0                                 | 0  |
| 2024 to date | 0                                 | 0                        | 0                                 | 0  |

**Implications**

## Corporate Plan:

To ensure we deliver high-quality public services we have adopted a set of corporate values which underpin the successful delivery of our priorities. How we work is as important as what we do. The Council's values are:

- People Focussed
- Honest
- Proud
- Ambitious

## Legal:

The Whistleblowing Policy has been written to take account of the Public Interest Disclosure Act 1998 which protects workers making disclosures in good faith. [RLD 19/02/2024]

**Finance:** No direct financial implications arising from this report. [PH 20/02/2024].

| Budget Area                                 | Implication |
|---|-------------|
| General Fund – Revenue Budget               | N/A         |
| General Fund – Capital Programme            | N/A         |
| Housing Revenue Account – Revenue Budget    | N/A         |
| Housing Revenue Account – Capital Programme | N/A         |

## Risk:

| Risk  | Mitigation  |
|---|---|
| Failure to maintain integrity and confidence in the Whistleblowing Policy and its applications. | Annual reporting to the Audit Committee and Standards and Personnel Appeals Committee. Annual update on the application of the policy. Update reporting in accordance with the policy to the Whistleblower (if identified). Identification of trends in disclosure to inform Management. The review ensures compliance with the governance framework and assists with the annual governance review. |

## Human Resources:

Regular review, maintenance and consistent application of the Whistleblowing Policy infers good employment practices. As such it is important to maintain the integrity of the policy. There are no other Human Resource issues identified in the report. [KB 19/02/2024]

## Environmental/Sustainability

There are no Environmental/Sustainability issues identified in the report or the policies reviewed.

## **Equalities:**

There are no equalities issues identified as a direct result of the report. Equalities issues would be considered as part of any whistleblowing investigation.

## **Other Implications:**

None.

## **Reason(s) for Urgency**

Not applicable.

## **Reason(s) for Exemption**

Not applicable.

## **Background Papers**

Not applicable.

## **Report Author and Contact Officer**

Ruth Dennis  
EXECUTIVE DIRECTOR – GOVERNANCE (MONITORING OFFICER)  
[ruth.dennis@ashfield.gov.uk](mailto:ruth.dennis@ashfield.gov.uk)  
01623 457009