

27<sup>th</sup> July 2020

**Code of Corporate Governance**

**Purpose of Report**

The report presents a revised Code of Corporate Governance.

**Thematic Priority**

Cross cutting – Governance.

**Freedom of Information and Schedule 12A of the Local Government Act 1972**

Under the Freedom of Information Act this paper and any appendices will be made available under the Mayoral Combined Authority Publication Scheme.

**Recommendations**

The Mayoral Combined Authority is asked to consider the revised Code of Corporate Governance.

**1. Introduction**

- 1.1 The scope of SCR's governance and internal control framework spans the whole of the organisation's activities and, as recommended in the CIPFA/SOLACE Framework ***Delivering Good Governance in Local Government 2016***, is described in SCR's local Code of Corporate Governance. This Code stands as the overall statement of the Mayoral Combined Authority's and Local Enterprise Partnership corporate governance principles and commitment. The Code demonstrates that the MCA and LEP's governance arrangements comply with the core and sub-principles contained in the Framework.
- 1.2 This report presents a revised Code of Corporate Governance for approval by the Mayoral Combined Authority.

**2. Proposal and justification**

- 2.1 As part of the Annual Governance Review for 2019/20 the Code of Corporate Governance annually, the Code has been reviewed and updated (Annex A). The introduction has been streamlined and minor grammatical changes have been made to the Code itself. These are shown in track changes.
- 2.2 The Audit and Standards Committee endorsed the changes to the Code at their meeting on 11<sup>th</sup> June 2020.

**3. Consideration of alternative approaches**

- 3.1 The Code of Corporate Governance is an essential requirement of good governance.

## 4. Implications

### 4.1 Financial

The risk associated with poor governance practice could result in poor financial decision making and, in consideration of Local Growth Fund and other monies distributed from central government, could result in material financial penalties including the withholding or reduction in grant received.

### 4.2 Legal

Failure to comply with the principles of good governance ultimately could lead to and External Audit opinion qualification. Additionally, in the context of LEP governance could result in MHCLG intervention.

### 4.3 Risk Management

Risk management is an important and integral part of good governance. SCR's strategic risk management approach contributes to identifying ways in which to strengthen governance arrangements.

### 4.4 Equality, Diversity and Social Inclusion

There are no equality, diversity or social inclusion issues in relation to this update.

## 5. Communications

5.1 The Code of Corporate Governance is published on the Sheffield City Region website.

## 6. Appendices/Annexes

6.1 Annex A – Revised Code of Corporate Governance

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: n/a