

# **Local Code of Corporate Governance**

## **2025/26**

## 1. Introduction

Governance is about how we ensure that we 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 the Councils is directed and controlled and through which the Council is accountable to, must engage with and where appropriate, lead their communities.

The Chartered Institute of Public Finance and Accountancy in association with SOLACE have published a new Framework entitled 'Delivering Good Governance in Local Government 2016'. The document defines the principles that should underpin the governance of each local government organisation and forms the basis of our Local Code of Corporate Governance.

By adopting this Local Code of Corporate Governance, South Derbyshire District Council commits to the CIPFA/SOLACE Joint Working Group Guidance and Framework entitled 'Delivering Good Governance in Local Government'.

In doing South Derbyshire District Council will:

- Accept the six core principles set out in section 3 below as the basis for our Corporate Governance arrangements.

- Publish an Annual Governance Assurance Statement with the Council's Statement of Accounts.
- Draw up Action Plans of improvements to our corporate governance arrangements, such plans to be monitored by the Audit and Governance Committee.

Set out in this document is the Council's Local Code of Corporate Governance which is based on the seven core principles adopted for local government from the report of the Independent Commission on Good Governance in Public Services.

The seven principles are:

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Principle B – Ensuring openness and comprehensive stakeholder engagement

Principle C – Defining outcomes in terms of sustainable economic, social, and environmental benefits

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it

Principle F – Managing risks and performance through robust internal control and strong public financial management

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Delivering Good Governance in Local Government (CIPFA and Solace, 2016)



## 2. Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the Council is controlled. It outlines how the Council directs its activities as well as how it accounts to, engages with, and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## 3. The Governance Framework

### Our vision, priorities and values

The Council's vision, priorities and values are set out in the Council Plan 2024 - 2028, which was adopted by Council on 11 April 2024.

The Council's vision is to 'work together to shape our environment, drive our economy and support our communities'.

The Council's priorities reflect the overall vision and will be delivered via a series of key aims.

Our priorities are:

- Shape our Environment – A sustainable future adapting to and mitigating climate change to deliver our net zero commitments so that future generations can thrive.
- Drive our Economy – A thriving economy and place that has jobs, skills, education, infrastructure, and opportunity.
- Support our Communities – People and communities are supported to live safely, healthily and independently.
- Transform our Council – Providing modernised, high performing, value for money and customer focussed services.

During 2023/24, we consulted staff on a new set of corporate values that we have embedded into our Council Plan. These values will be integrated into our performance staff development and appraisal programmes.

There are seven values in total:

- **Working together:** Working as a team to serve our residents.
- **Accountability:** Taking ownership of the service that we deliver.
- **Respect:** We value and listen to each other.
- **Requiring Improvement:** Offering equal opportunities for all.
- **Being Responsive:** We have a 'can do' attitude and respond to the needs of others quickly, positively and appropriately.
- **Innovative:** Looking for new solutions.
- **Excellence:** Delivering our services to the highest possible standards

### The key elements of our governance framework

South Derbyshire has retained a committee system governance model. Most UK local authorities now operate using a cabinet system where a group of Members have been given the power to make the majority of decisions on behalf of their Council.

The benefits of retaining the committee system are that all Members are able to sit on a range of decision-making committees and every member has a vote that counts.

This is the cornerstone of the Council's governance – Members are not marginalised in decision making. All decisions are debated and made during open committee in full public view. Closed sessions, for instance where commercially sensitive matters need to be discussed, are kept to a minimum.

In addition to the statutory committees that deal with planning and licensing, the Council has three main policy committees:

- Finance and Management Committee
- Environmental and Development Services Committee
- Housing and Community Services Committee

Up until May 2025, the audit function was spread across the Finance and Management Committee and the Audit-Sub Committee, which was responsible for some elements relating to internal and external audit and risk management. These changed from May 2025, with a new Audit and Governance Committee taking on full responsibility for risk management and financial reporting and reporting directly to Council (no longer having Sub-Committee status and reporting via the Finance and Management Committee as was the arrangement during and before 2024/25).

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure

that decisions are efficient, transparent, and accountable to local people.

We have various layers of management within the organisation and our management teams each play an important role in the governance framework.

The Leadership team comprises of the Chief Executive and four Executive Directors.

Four Assistant Director posts report into the Executive Directors and together, make up the Extended Leadership team (ELT).

The Leadership Team meet fortnightly. Extended Leadership Team meetings are programmed on a quarterly themed basis to focus individually on either business as usual, strategic issues, projects and programmes and organisational health. The Leadership Team and Extended Leadership Team meetings are managed via a forward plan and regular away days are scheduled to ensure time is allowed for strategic planning.

The Leadership Team also meet with Heads of Service on a regular, ad-hoc basis. These meetings cover a range of current matters, depending on circumstances and issues needing attention at the time and also represent a key time for undertaking corporate training across the different tiers of the Council's leadership and management.

## **Role of the Council**

The role of Council is set out in the Council's Constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework.

## **Role of Statutory Officers**

The Council's Statutory Officers who consist of the Head of Paid Service (the Chief Executive), the Monitoring Officer (Executive Director – Law and People) and the Section 151 Officer (Executive Director – Resources and Transformation) fulfil the statutory duties associated with their roles, including ensuring that the Council's activities are in accordance with the law and legislative requirements, and that financial budgets are set appropriately and are monitored regularly.

The Council's financial management arrangements conform to the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) and the CIPFA Financial Management Code.

The Constitution of the Council is subject to a continuous review process which sets out matters reserved to Council and Committees for decision; all other decisions are delegated to Officers. Elements of the Constitution were reviewed during 2023/24 and the amendments approved by Council in May 2024.

## Role of Committees

The Council's Constitution sets out the responsibilities for functions of each of its Committees, including:

- Licencing and Appeals Committee
- Housing and Community Services Committee
- Development Management Committee
- Environmental and Development Services Committee
- Finance and Management Committee
- Audit and Governance Committee

## Responsibility for audit, risk and internal control

The responsibility for audit, risk and internal control is with the Audit and Governance Committee which meets the external auditor to discuss findings in the Annual Audit Management Letter and reports.

## Role of Overview and Scrutiny

The Overview and Scrutiny Committee carries out the Council's Scrutiny function.

The Committee develops its annual work programme in line with Article 6 of the Constitution and can "call in" a decision which has been made by a policy committee but not yet implemented, to enable them to consider whether the decision is appropriate.

## Risk Management

The overall objective of the Council's risk management strategy is the identification, analysis, management and financial control of those risks which can most impact on the Council's ability to pursue its approved delivery plan.

The Risk Management Framework was last reviewed in 2024 and sets out how the Council will actively manage risk.

The Audit and Governance Committee has responsibility for risk management and will receive quarterly reports from May 2025, following the Constitutional changes adopted (previously the quarterly risk report was presented to the Finance and Management Committee).

## Role of Internal Audit

The Council has a Public Sector Internal Audit Standards (PSIAS) compliant Internal Audit via the Central Midlands Audit Partnership (CMAP). The Internal Auditor is responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is used to formulate an annual work plan, progress against which is reviewed each quarter by the Audit and Governance Committee.

All internal audit reports are submitted to the relevant officer and Executive Director as well as the Section 151 Officer,

Monitoring Officer and Chief Executive. The reports include an independent opinion on the adequacy of the applicable internal controls, audit findings and recommendations for improvements with an agreed timescale for implementation. Progress against recommendations is followed up by Internal Audit and reported to Audit and Governance Committee on a quarterly basis throughout the year.

## The Role of External Audit

Mazars LLP has been appointed by the Public Sector Audit Appointments (PSAA) as the Council's external auditor for 2023/24 – 2027/28. The auditor's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and the PSAA Statement of Responsibilities.

External audit provide an opinion on the Council's financial statements and conclude on the arrangements in place for securing economy, efficiency and effectiveness in the Council's use of resources (value for money conclusion).

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system in the UK, supporting Satisfactory decision making, effective planning, informed decision making and ensuring transparency and accountability to local taxpayers.



## How we comply with the CIPFA/SOLACE framework

The below sets out the CIPFA/ SOLACE Framework principles and what each of these mean broadly.

The Principles	What this means
<b>Principle A:</b> Behaving with integrity	Elected Members and Council Officers acting in accordance with national standards regarding Public Office.
<b>Principle B:</b> Engaging with stakeholders	Keeping residents, businesses and other interested parties, etc. informed and seeking feedback through consultation.
<b>Principle C:</b> Setting clear objectives	Having medium term business and financial plans in place that provide for the sustainability and development of services.
<b>Principle D:</b> Having positive interventions	The detailed policies and procedures, such as terms of reference for decision-making, a change management process and an annual budget, etc. which ensure that objectives are met.
<b>Principle E:</b> Leadership and capacity	Clear direction from senior management and that adequate, trained and empowered staff are in place to deliver services.
<b>Principle F:</b> Managing	Having robust internal control and strong financial management to

risks and performance	ensure that risk is mitigated, data is secure, and performance is regularly monitored.
<b>Principle G:</b> Satisfactory reporting and transparency	Assigning clear accountability and reporting lines, allowing access to information and reporting performance on a regular basis.

The following sections list the key elements of the systems and processes that comprise the Council's governance framework with a commentary setting out how the arrangements comply with each of the principles that are laid out in the CIPFA/ SOLACE Framework - Delivering Satisfactory Governance in Local Government.

### Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Arrangements have been put in place to ensure probity when dealing with different stakeholders and these are frequently updated. The Council has a Members' Code of Conduct, Planning Code of Satisfactory Practice, Licensing Protocol and Procedure and Citizens' Rights which are all set out in the Constitution. These are regularly reviewed to take account of the latest legislation and guidance.

The Council has robust arrangements for monitoring compliance with the Member Code of Conduct (including gifts and hospitality. The

Officer Register of Gifts and Hospitality is regularly overseen by the Monitoring Officer as well as the Member Registers of Disclosable Pecuniary Interests.

The Head of Paid Service, Section 151 Officer and Monitoring Officer meet regularly as a Statutory Officers Group. Their work includes monitoring compliance with standards of conduct across the Council, including both officers and Members. The Council complies with the Code of Practice on Satisfactory Governance for Statutory Officers.

The Council's Whistleblowing Policy includes Members, contractors, suppliers and service providers and people working in partnership with the Council (e.g. volunteers). All reports received under the policy are investigated thoroughly; the procedure is outline for transparency.

The Members Code of Conduct sets out the standards of conduct expected and assists Members in the exercise of their duties. The Code sets out the principles (Nolan Principles) Members should abide as public office holders.

The Employee Code of Conduct clarifies the standards of conduct and behaviours expected of Local Government employees.

The Council's Ethics Statement forms part of the Council's Constitution and sets out the standards of ethical behaviour expected; it also incorporates the Nolan principles.

The Council's Conflict of Interests policy forms part of the Council's Constitution and is a guide for both Members and officers.

The 2024-2028 Council Plan includes values which complement the Nolan principles. These values were developed with staff during 2023/24 and are monitored with officers through the Performance and Development Review (PDR) process. The values are:

**Working together:** Working as a team to serve our residents.

**Accountability:** Taking ownership of the service that we deliver.

**Respect:** We value and listen to each other.

**Fairness:** Offering equal opportunities for all.

**Being Responsive:** We have a 'can do' attitude and respond to the needs of others quickly, positively and appropriately.

**Innovative:** Looking for new solutions.

**Excellence:** Delivering our services to the highest possible standards

The Council has an appointed Health and Safety Officer. Corporate Health and Safety matters are considered by the Health and Safety Committee, which includes two Elected Member representatives to ensure compliance with the Health and Safety at Work Act 1974, and other relevant legislation.

The Council actively ensures its decisions are Requiring Improvement and accessible on a consistent basis. Corporate consideration of issues around compliance with the Equality Act 2010 are supported by the Equality, Diversity and Inclusion Steering Group.

### **Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function**

The "Monitoring Officer" function is carried out by the Executive Director – Law and People, who reports to the Chief Executive.

The Head of Legal and Democratic Services who has responsibility for legal matters and is also the Deputy Monitoring Officer reports to the Executive Director – Law and People.

### **Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function**

The "Head of Paid Service" role is undertaken by the Council's Chief Executive.

### **Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities**

During 2023/24, the former Audit-Sub Committee undertook a review of the committee current arrangements against the Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022). The findings were reported to the Audit Sub-Committee and Finance and Management Committee in June 2024. In summary, the Audit Sub-Committee identified some areas where the arrangements do not comply with CIPFA guidance. These are now mostly satisfied, with some of the required actions having been

implemented as part of the update to the Constitution in May 2025, with the remainder undergoing implementation.

The Audit and Governance Committee therefore now aligns with guidance set out in the Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022), which identifies best practice in relation to roles and responsibilities. Before May 2025, arrangements were delivered via a dual model and across the Finance and Management Committee and Audit Sub-Committee and the arrangements were changed in May 2025 as part of an update to the Constitution and following recognition that these dual arrangements did not fully comply with the CIPFA statement.

The Audit and Governance Committee receives regular reports from both the Section 151 Officer, the Internal Auditor and the External Auditor. Arrangements are in place for the both internal and external audit to report independently to the Audit and Governance Committee should it deemed appropriate to do so.

### **Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful**

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two of the Council's statutory officers, the Section 151 Officer and the Monitoring Officer, have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Council's Chief Audit Executive who

provides assurance on matters of internal financial control.

### **Whistle-blowing and for receiving and investigating complaints from the public**

The Council has in place appropriate Whistleblowing policies and procedures which are regularly reviewed and updated where required.

Staff are aware of the Whistleblowing policy through the council's intranet and as an integral part of the induction process for new starters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from customers and residents.

The Finance and Management Committee have oversight of the complaints process and receive quarterly reports from the Head of Customer Services.

### **How breaches of laws, regulations and procedures are addressed and learning adopted.**

The Council has implemented procedures for dealing with actual or suspected governance or internal control failings, with robust learning and feedback processes. As part of remedial and learning exercises, the engagement of internal audit on a consultancy basis is considered to ensure independent and objective investigation and reporting, where appropriate.

### **Principle B. Ensuring openness and comprehensive stakeholder engagement**

The Council uses various means to communicate key messages to members of the public, including press releases, website content, social media and where relevant direct communication. Internally, we communicate with staff via team meetings, the intranet, blogs and Chief Executive's Colleague Briefings for staff.

A new Communications and Engagement Strategy was approved in 2024/25 to set out the Council's approach to ensuring openness and stakeholder engagement.

### **Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits.**

#### **Incorporating Satisfactory governance arrangements in respect of partnerships and other group working and reflecting these in the authority's overall governance arrangements**

The Council participates in a range of joint working arrangements with other bodies. For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk.

The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and

collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail.

The Council's principle partnership is the South Derbyshire Partnership which includes agencies from health, police, parish and county councils, together with local voluntary services and local businesses.

The Partnership works to a set of shared priorities which are designed to improve the local environment, economy and health of local people.

The Partnership is properly constituted and governed by a Board which monitors progress against agreed actions, together with the use of resources, with the Council taking a key role.

### **Enhancing the accountability for service delivery and effectiveness of other public service providers**

The Council is a partner in Derbyshire Resilience Partnership (DRP). All Councils at County, Unitary and District levels, along with other public sector agencies including Derbyshire Fire and Rescue, Derbyshire Police, East Midlands Ambulance Service and the Environment Agency are members of the Partnership to bring together emergency management resources to prepare for and respond to civil emergencies within the Derby and Derbyshire area. The Executive Director – Environment and Communities is the Council's representative on the DRP Strategic Meeting.



### **Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome**

The Council Plan and Medium-Term Financial Strategy detail how we have planned all our resources, both financial and staffing to deliver against our priorities.

The Council's performance management arrangements include the planning process which reflects all of the council's aims and objectives and aims to better align activities, improvements and resources.

The Council Plan was monitored throughout the year by management and relevant policy committee on a quarterly basis.

Profiled financial monitoring reports are produced, which also project the outturn, after month end. These are reviewed by all budget holders on a monthly basis. Financial performance is reported to the Finance and Management Committee on a quarterly basis.

### **Principle E – Developing the entity's capacity including the capability of its leadership and the individuals within it**

The Council fully supports the requirements to ensure that both Members and senior officers have the necessary skill sets to fulfil their respective roles in the organisation. Induction processes are in place for both Members and officers, and have been developed to deal with relevant core issues.

The Council is committed to creating an environment where Elected Members' skills can develop and thrive with regular courses being delivered. Development of Committee Chairs is tailored to individuals and supported by Committee Leadership Team leads.

An annual PDR is undertaken for all officers, which includes the identification of training and development needs.

The Council has an adopted People Strategy that will enable the Council to become the local 'Employer of Choice'.

During 2023/24, we consulted staff on a new set of corporate values that we have embedded into our Council Plan. These values are integrated into our performance staff development and appraisal programmes

The Council adheres to the [Code of Practice on Good Governance for Local Authority Statutory Officers](#) and has actively reviewed its position with Statutory Officers.

### **Principle F – Managing risks and performance through robust internal control and strong public management**

The Overview and Scrutiny Committee carry out the Council's scrutiny function.

The writing of formal reports follows a prescribed procedure which requires the completion of a number of procedural requirements for content, including Statutory Officer checks for legality, budgetary

compliance, rationale and risk. Reasons for all decisions must be given and these are recorded in the minutes.

The Member and Officer Codes of Conduct and associated procedures set out expected conduct and behaviour.

The Audit and Governance Committee undertake the functions of an audit committee as identified by CIPFA guidance. This was previously undertaken by the Audit Sub-Committee together with the Finance and Management Committee on a dual basis, until May 2025.

The Risk Management Framework was last reviewed in 2024 and the new framework is in line with best practice and provides a robust framework for monitoring and managing strategic and operational risks the council face.

As part of the council's Corporate Project Management Framework, all major projects have their own risk log. All reports going to members include the risk implications associated with the decision members are being asked to make.

The Council is committed to the effective use of IT and has an IT Security Policy.

The Council's Treasury Management Strategy Statement was last approved by Council in February 2025, and risks are fully evaluated as part of this strategy.

The Council's counter fraud and anti-corruption arrangements are maintained in accordance with

the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)

**Principle G – Implementing Satisfactory practices in transparency, reporting and audit to deliver effective accountability.**

**Ensuring the Authority's Financial Management Arrangements Conform With the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016)**

Formal arrangements are in place for the Section 151 Officer with a permanent employee appointed to this role. Adherence to the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) continues.

**Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)**

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function.

Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the council's operations. It brings a systemic disciplined approach to evaluating and improving the

effectiveness of risk management, control and governance processes.

The Council's Chief Audit Executive reports directly to the council's Audit and Governance Committee on all matters appertaining to audit outcomes.

The Council's Chief Audit Executive and the Section 151 Officer meet on a monthly basis to discuss and review governance and risk matters.

## **4. Review process**

This Local Code of Corporate Governance forms part of the Council's adopted Constitution.

The Code should be reviewed on an annual basis by the Audit and Governance Committee.

Any changes adopted by the Committee will be updated in the Constitution accordingly.

The annual review should take into consideration any updates to the 'Delivering good governance in local government framework', such as the [May 2025 addendum](#), covering the annual review of governance and the annual governance statement.