

**Manchester City Council
Report for Information**

Report to: Council – 29 January 2020
Subject: Draft Code of Corporate Governance
Report of: Deputy Chief Executive and City Treasurer

Summary

This report proposes a revised draft Code of Corporate Governance which is in accordance with published guidance. Compliance with this Code will be monitored on an annual basis through the Council's Annual Governance Statement.

Recommendations

The Council is requested to approve the revised Code, which will then be incorporated within the Constitution.

Wards Affected: All

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1. Introduction and Context

- 1.1 The Accounts and Audit Regulations 2015 require local authorities to conduct at least annually a review of the effectiveness of their governance framework including their systems of internal control. This review must be documented in an Annual Governance Statement (AGS) and published as part of the Council's Annual Accounts. The Statement must be prepared in accordance with proper practices, including those set out in CIPFA and IFAC's¹ *"Delivering Good Governance in Local Government: Framework (2016)"*.
- 1.2 The Framework has applied to Annual Governance Statements prepared for the financial year 2016/17 onwards. The AGS involves an assessment of the extent to which the Council has adhered to the governance standards set out in its Code of Corporate Governance (the Code).
- 1.3 In 2016 the Council's Code was fully updated in accordance with the revised Framework. Alongside the CIPFA principles, the vision and values of the organisation – the Our Manchester principles - are at the heart of the Council's approach to governance. Our Manchester was therefore also integral to the way the standards in the Code were defined when it was reviewed.
- 1.4 It is necessary to keep the Code under review to ensure the contents remain accurate, up to date, and that they reflect all applicable relevant legislation. While substantial changes have not been necessary for this subsequent update of the document, some minor amendments are required. Changes include;
- The role title has been updated for the Deputy Chief Executive and City Treasurer, to reflect recent changes to the Council's senior management structure.
 - Wording has been amended to reflect changes to the remits of both the Audit and the Standards Committees regarding the Council's Whistleblowing procedures.
 - Hyperlinks have been updated in the electronic copy of the Code document, so that out of date web page links have been replaced where necessary.
 - Wording has been added to reference the Council's 'Our Corporate Plan' which was launched in November 2018, and which sets out the Council's priorities for the next three years.
 - The establishment of science-based carbon reduction targets for Manchester which require the city to become net zero carbon by 2038, and the motion asking the Council to formally declare a 'climate emergency' which was unanimously agreed in July 2019.
- 1.5 The Code sets out the governance standards for the Council but deliberately does not include details of how these standards will be achieved. This will be described in the next Annual Governance Statement which will set out

¹ CIPFA is the Chartered Institute of Public Finance and Accountancy. IFAC is the International Federation of Accountants.

evidence of compliance for each different aspect of the Code. The draft Code was reviewed by Standards Committee on 31 October 2019, followed by Audit Committee on 10 December 2019. The version of the Code provided for this Council meeting incorporates comments from both these Committees.

2. Next Steps

- 2.1 The Code forms part of the Council's Constitution and, subject to approval, will therefore be included within a revised Constitution following the Council meeting.