

**SUBJECT: MONMOUTHSHIRE COUNTY COUNCIL
CODE OF CORPORATE GOVERNANCE 2026**

DIRECTORATE: Resources

MEETING: Governance & Audit Committee

DATE: April 2026

DIVISION/WARDS AFFECTED: All

1. PURPOSE

To receive a **draft** version of the Council's updated Code of Corporate Governance to support the completion of the Annual Governance Statement (AGS).

2. RECOMMENDATION(S)

That the Governance & Audit Committee contribute to the appropriateness and content of the draft Code of Corporate Governance and subsequently endorse it for Full Council approval.

3. KEY ISSUES

- 3.1 The Code of Corporate Governance is the council's formal commitment to the highest standards of governance, transparency, and accountability. Our framework has adopted the governance principles developed by the Chartered Institute for Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) as detailed within the 2016 'Delivering Good Governance in Local Government Framework'. The 2025 'Delivering Good Governance in Local Government Framework' Addendum, covering the annual review of governance and the annual governance statement, has also been incorporated.
- 3.2 The purpose of this Code of Corporate Governance is to provide clarity on responsibilities, processes, and values that underpin good governance within the council. The Code is part of council's constitution and applies to all members, officers, and those acting on behalf of the council.
- 3.3 Corporate governance in UK local government means making sure we do the right things, in the right way, for the right people — openly, honestly, and with accountability. It covers the systems, processes, culture, and values that guide how the council is run, how decisions are made, how money is managed, and how the council is held responsible to the public.
- 3.4 The Code of Corporate Governance is the framework on which the Councils Annual Governance Statement (AGS) is based. The AGS sets out how Monmouthshire demonstrates it has appropriate governance arrangements in place and how they are continually reviewed to strengthen them moving forward. Completion of an AGS is a

requirement under the Accounts and Audit (Wales) Regulations 2014 and is included within the Annual Statement of Accounts.

- 3.5 The Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE Framework was last reviewed and updated in June 2020.
- 3.6 CIPFA and SOLACE reviewed the Framework in 2025 and issued an Addendum to the 2016 Framework. The Code has been revised in accordance with this document to ensure it remained fit for purpose.
- 3.7 Monmouthshire County Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 3.8 A number of internal and external policies and guidance underpins the Council's Code of Corporate Governance. One such is that financial management will comply with CIPFA's Financial Management Code. A commitment has been made within the agreed Medium Term Financial Strategy (2024-29) – Delivery Plan that a review will be undertaken to determine compliance with the Financial Management Code and to set out clear actions to address any identified areas of weakness.
- 3.9 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.

4 The Purpose of the Governance Framework

- 4.1 The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which 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.
- 4.2 The 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.

5 The Governance Framework

- 5.1 The Council's Code of Corporate Governance has been developed in line with the following principles:

Overarching requirements for acting in the public interest:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition achieving good governance in the Council requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity'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

- 5.2 The Strategic Leadership Team (SLT) considered, as part of its review of the Code of Corporate Governance, whether a dedicated Corporate Governance Group comprising cross-departmental officers was required to further strengthen the Council's governance arrangements. Although this approach was suggested by CIPFA/SOLACE in the 2025 Addendum, SLT determined that, given the organisation-wide importance of good governance, responsibility for this function should remain with SLT and be monitored by them on a regular basis rather than through a separate group. As a minimum this will involve a mid-year review of the Annual Governance Statement Action Plan and an early input into and review of the draft Statement as it gets produced.

6 REASONS

- 6.1 The Accounts and Audit (Wales) Regulations 2014 require an Annual Governance Statement (AGS) to be prepared and included within the Council's year-end financial statements. The Code of Corporate Governance is the Council's framework on which the AGS is based. The AGS provides an overview of how the Council's governance arrangements operate, including how they are reviewed annually to ensure they remain effective. The AGS identifies what arrangements the authority has put in place to achieve each principle, and key examples are given of how the Council has met the governance commitments set out in the Code.
- 6.2 In Monmouthshire County Council, the AGS is independently co-ordinated by the Chief Internal Auditor who also provides their unbiased view of the internal control environment. The review also relies on work undertaken in year by both Internal Audit, Audit Wales and other Regulatory Bodies. Any area(s) that require further improvement will be considered for inclusion as a Significant Governance Issue or a Priority for Improvement. The document itself is collectively owned by the Strategic Leadership Team and presented to the Governance & Audit Committee for approval to be included within the Annual Statement

7 RESOURCE IMPLICATIONS

None

8 CONSULTEES

Chief Executive
Deputy Chief Executive & Strategic Director – Resources (S151 Officer)
Chief Officer – Law & Governance (Monitoring Officer)
Strategic Leadership Team
Cabinet Member – Resources
Chair of Governance & Audit Committee

9 BACKGROUND PAPERS

Chartered Institute for Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) 'Delivering Good Governance in Local Government Framework' 2016
CIPFA / SOLACE 'Delivering Good Governance in Local Government Framework' Addendum 2025

10 AUTHOR AND CONTACT DETAILS

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