

22 September 2020

REVIEW OF CODE OF CORPORATE GOVERNANCE

1. EXECUTIVE SUMMARY

- 1.1. This report advises that the code of corporate governance action plan for 2019/20 has been reviewed and updated along with the content of the code to reflect the governance position within the Council for 2019/20.
- 1.2. An action plan has been drafted for 2020/21.
- 1.3. The review allows the Council to include a statement of governance and internal control in the Annual Accounts for 2019/20.

2. RECOMMENDATIONS

- 2.1 The Audit and Scrutiny Committee note the updates in the Action Plan for 2019/20
- 2.2 The Audit and Scrutiny Committee approve the content of the revised Code of Corporate Governance for 2019/20
- 2.3 The Audit and Scrutiny Committee approve the content of the Action Plan for 2020/21
- 2.4 The Audit and Scrutiny Committee approve the draft statement of governance and internal control for 2019/20

REVIEW OF CODE OF CORPORATE GOVERNANCE

1. INTRODUCTION

- 1.1 This report advises that the code of corporate governance action plan for 2019/20 has been reviewed and updated along with the content of the code to reflect the governance position within the Council for 2019/20. The review allows the Council to include a statement of governance and internal control in the Annual Accounts for 2019/20. An action plan for 2020/21 has been prepared

2. RECOMMENDATIONS

- 2.1 To note the updates in the Action Plan for 2019/20
- 2.2 To approve the content of the revised Code of Corporate Governance for 2019/20
- 2.3 To approve the content of the Action Plan for 2020/21
- 2.4 To approve the draft statement of governance and internal control for 2019/20

3. DETAIL

- 3.1 CIPFA and SOLACE published a revised Framework for 'Delivering Good Governance in Local Government' in 2007. The Framework was intended to define the principles that should underpin the governance of local authorities and provides a structure to assist authorities with their own approach to governance. The Framework took the six core principles, from the 'Good Governance Standard for Public Services' (2004), and adapted these principles for local government, identifying eighteen supporting principles.
- 3.2 The Council has responsibility for the preparation of the code of corporate governance along with an Action Plan which identifies areas within the Council where work to improve the governance arrangements within the Council is being undertaken. It is considered that the actions on the action plan for 2019/20 (appendix 1) have been progressed.
- 3.3 The six core principles contained in the local code are:

1. Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
2. Members & Officers working together to achieve a common purpose with clearly defined functions and roles
3. Promoting values for the authority and demonstrating the value of good governance through upholding high standards of conduct and behaviour.
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
5. Developing the capacity and capabilities of members and officers to be effective
6. Engaging with local people and other stakeholders to ensure robust public accountability

The revised code (appendix 2) includes links to the evidence demonstrating compliance with these six core principles.

- 3.4 The review of the effectiveness of the system of governance and internal control is informed by the:
- work of council officers
 - work of External and Internal Audit
 - Statements of Governance or Internal Control provided by external bodies
 - external review and inspection reports
 - recommendations from the Audit and Scrutiny Committee

4. CONCLUSION

- 4.1 This review of the content of the local code of corporate governance gives assurance about the robustness of the Council's governance arrangements as level 3 of the CIPFA code

5. IMPLICATIONS

- 5.1 Policy – None
 5.2 Financial – None
 5.3 Legal -None
 5.4 HR - None
 5.5 Fairer Scotland Duty - None
 5.6 Equalities – None
 5.7 Socio-Economic Duty – None
 5.8 Islands Duty - None

- 5.9 Risk – None
- 5.10 Customer Service - None

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Appendices

- Appendix 1 - Updated action plan for 2019/20
- Appendix 2 - Revised code of corporate governance 2019/20
- Appendix 3 - Action plan for 2020/21
- Appendix 4 - Draft Annual Governance Statement 2019/20