

**REVIEW OF CODE OF CORPORATE GOVERNANCE**

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**1. EXECUTIVE SUMMARY**

- 1.1. This report advises that the code of corporate governance action plan for 2021/22 has been reviewed and updated along with the content of the revised code to reflect the governance position within the Council for 2021/22.
- 1.2. An action plan based on the revised code has been drafted for 2022/23.
- 1.3. The review allows the Council to include a statement of governance and internal control in the Annual Accounts for 2022/23.

**2. RECOMMENDATIONS**

- 2.1 The Audit and Scrutiny Committee note the updates in the Action Plan for 2021/22
- 2.2 The Audit and Scrutiny Committee consider and approve the content of the revised Code of Corporate Governance for 2021/22
- 2.3 The Audit and Scrutiny Committee consider and approve the content of the Action Plan for 2022/23
- 2.4 The Audit and Scrutiny Committee consider and approve the draft statement of governance and internal control for 2021/22

## **REVIEW OF CODE OF CORPORATE GOVERNANCE**

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### **1. INTRODUCTION**

- 1.1 This report advises that the code of corporate governance action plan for 2021/22 has been reviewed and updated along with the content of the revised code to reflect the governance position within the Council for 2021/22. The review allows the Council to include a statement of governance and internal control in the Annual Accounts for 2021/22. An action plan for 2022/23 has been prepared.

### **2. RECOMMENDATIONS**

- 2.1 To note the updates in the Action Plan for 2021/22
- 2.2 To consider and approve the content of the revised Code of Corporate Governance for 2021/22
- 2.3 To consider and approve the content of the Action Plan for 2022/23
- 2.4 To consider and approve the draft statement of governance and internal control for 2021/22

### **3. DETAIL**

- 3.1 CIPFA and SOLACE published a revised Framework for 'Delivering Good Governance in Local Government' in 2016. The Framework was defines seven core principles and twenty-one supporting principles that should underpin the governance of local authorities and provides a structure to assist authorities with assessing their own approach to governance.
- 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 2021/22 (appendix 1) have been progressed.
- 3.3 The seven principles contained in the local code are:
1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The revised code (appendix 2) includes links to the evidence demonstrating compliance with these seven 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 Climate Change
- 5.7 Equalities – None
- 5.8 Socio-Economic Duty – None
- 5.9 Islands Duty – None
- 5.10 Risk – None
- 5.11 Customer Service - None

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Appendices

Appendix 1 - Updated action plan for 2021/22

Appendix 2 - Code of corporate governance 2021/22

Appendix 3 - Action plan for 2022/23

Appendix 4 - Draft Annual Governance Statement 2021/22