

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

18 June 2012

Report of the Director of Finance

Part 1- Public

Matters for Recommendation to Cabinet

1 LOCAL CODE OF CORPORATE GOVERNANCE

Summary

This report advises Members of the outcome of a review of the Local Code of Corporate Governance. Members are requested to review the proposed revision and to recommend to Cabinet that the Code be considered and recommended to Council for adoption.

1.1 Background

- 1.1.1 A Code was introduced following a joint CIPFA/SOLACE paper entitled "Delivering Good Governance in Local Government". This document was produced following several enquiries and reports into Governance in the public and private sector. The publication was revised in 2007 and the Council approved a revised Code in April 2008.
- 1.1.2 The Code was designed to be on the Council's website and to provide links to the documents that demonstrated compliance with the principles identified by CIPFA/SOLACE. The Code was also used as a resource to demonstrate a sound Corporate Governance framework for the "Use of Resources" inspection. In order to achieve this every section of the Code had an explanation to evidence compliance with the Code.

1.2 Current Situation

- 1.2.1 The Code has not been updated, as stated earlier, since 2008. During that time policies have frequently been updated with changing circumstances and the website has recently been updated which has resulted in some of the references in the Code being superseded or lost. Therefore, there is a need to update the Code in order to maintain its integrity and purpose. A copy of the current Code is attached. **[Annex 1]**
- 1.2.2 Since the abolition of the Use of Resources inspection regime many authorities have introduced a shortened version of the Code. The advantage of this is that it does not have so many links that require updating but at the same time gives the

reader an indication of the culture of the organisation and documents that support the Code.

1.3 Review

1.3.1 A review of the Council Code has been carried out by the Chief Internal Auditor accessing other Codes on the internet. The result is a revised document that is a much simpler version of the Code. However, it still demonstrates compliance with the principles of corporate governance. A copy of the revision is attached.

[Annex 2]

1.3.2 This revision has been presented to Management Team and feedback received has been taken into consideration.

1.4 Legal Implications

1.4.1 There is no legal requirement to have a Code of Corporate Governance.

1.5 Financial and Value for Money Considerations

1.5.1 There are no financial considerations related to this item but it has been identified as good practice by CIPFA/SOLACE to have a Code in place.

1.6 Risk Assessment

1.6.1 Having a Corporate Governance Code does assist in setting out the culture of the organisation and provides a reference to the supporting strategies and policies underlying this culture.

1.7 Equality Impact Assessment

1.7.1 No equality impact issues were identified.

1.8 Recommendations

1.8.1 Members are requested to review the draft Local Code of Corporate Governance and to **RECOMMEND** to Cabinet that the Code be considered and recommended to Council for adoption.

Background papers:

contact: David Buckley

CIPFA/SOLACE - "Delivering Good Governance in Local Government".

Sharon Shelton
Director of Finance

| Screening for equality impacts: | | |
|---|---------------|---|
| Question | Answer | Explanation of impacts |
| a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? | No | The Code is designed to ensure that all stakeholders are aware of the culture of the organisation and the standards expected from them. |
| b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? | No | The Code is an indication of expectation of standards from all groups. |
| c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above? | | Not applicable |

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.