

# **TONBRIDGE & MALLING BOROUGH**

## **AUDIT COMMITTEE**

**23 January 2017**

### **Report of the Chief Executive and Director of Central Services**

#### **Part 1- Public**

#### **Matters for Information**

## **1 LOCAL CODE OF CORPORATE GOVERNANCE**

**This report provides an update to Members of the Audit Committee regarding changes required to the Local Code of Corporate Governance**

### **1.1 Introduction**

1.1.1 Tonbridge and Malling Borough Council is committed to adopting the principles of good governance and demonstrates this publicly through the adoption and continued maintenance of a local Code of Corporate Governance, as recommended within the CIPFA/SOLACE (Chartered Institute of Public Finance & Accounting and the Society of Local Authority Chief Executives) document 'Delivering Good Governance in Local Government Framework 2016' (referred to in this report as the "2016 Framework").

1.1.2 The 2016 Framework defines governance as 'the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved'.

1.1.4 Each year, the Annual Governance Review process, culminating in the Annual Governance Statement, is used to confirm that the Council's arrangements to comply with the Local Code of Corporate Governance are in place and effective.

### **1.2 Review of the Local Code of Corporate Governance**

1.2.1 The 2016 Framework is significantly amended from the previous framework published in 2012. The revised framework requires a detailed reconsideration and redrafting of the Local Code. A copy of the current version of the Local Code is at Annex 1 to this report.

1.2.2 An internal audit "gap analysis" has highlighted a number of areas where the current Local Code may not meet the requirements of the 2016 Framework. In particular, many of the requirements link to provisions in the Council's Constitution, which is currently also under review, with a view to submission of a revised constitution for scrutiny at the Overview and Scrutiny Committee during the early part of 2017.

1.2.3 The “gap analysis” has identified practices under the 2016 Framework which the Council was not previously required to (and consequently did not) adopt (for example, the adoption of formal protocols to establish the roles and relationships of the Leader and Chief Executive by negotiation). Officers are currently considering how these gaps might best be addressed and what authority might be required for such changes.

1.2.4 The Local Code informs the Annual Governance Statement. Where there are new practices required under the 2016 Framework which the Council has not yet adopted, the Council may undertake in the Annual Governance Statement to make progress towards adopting those proposals within the coming reporting period.

1.2.5 Officers anticipate providing a draft Local Code for consideration, along with a report identifying those new practices which the Council will need to take steps to adopt, at Audit Committee in April.

### **1.3 Legal Implications**

1.3.1 Whilst there is no legal requirement for Council’s to develop a Local Code of Corporate Governance, such a Code provides a public document that demonstrates how the Council ensures it operates in a proper way and in accordance with the law.

### **1.4 Financial and Value for Money Considerations**

1.4.1 There are no financial and value for money considerations arising from the Code.

### **1.5 Risk Assessment**

1.5.1 Adoption of a Local Code of Corporate Governance is seen as good practice in that it demonstrates how the Council ensures it operates in a proper way and in accordance with the law and as such is subject to annual review to ensure it remains fit for purpose. Not do so may attract unwelcome comment/criticism.

### **1.6 Equality Impact Assessment**

1.6.1 No decisions are recommended through this paper.

## **FOR INFORMATION**

Background papers:

contact: Adrian Stanfield

CIPFA/SOLACE – “Delivering Good Governance in Local Government”.

Julie Beilby  
Chief Executive

Adrian Stanfield  
Director of Central Services