

## **GOVERNANCE AND AUDIT COMMITTEE**

Date of Meeting	Wednesday, 26 <sup>th</sup> January 2022
Report Subject	Code of Corporate Governance
Report Author	Chief Executive
Category	Advisory

## EXECUTIVE SUMMARY

The Code of Corporate Governance forms part of the Constitution. It is reviewed and updated annually to ensure it is up to date and complies with all relevant legislation and other requirements.

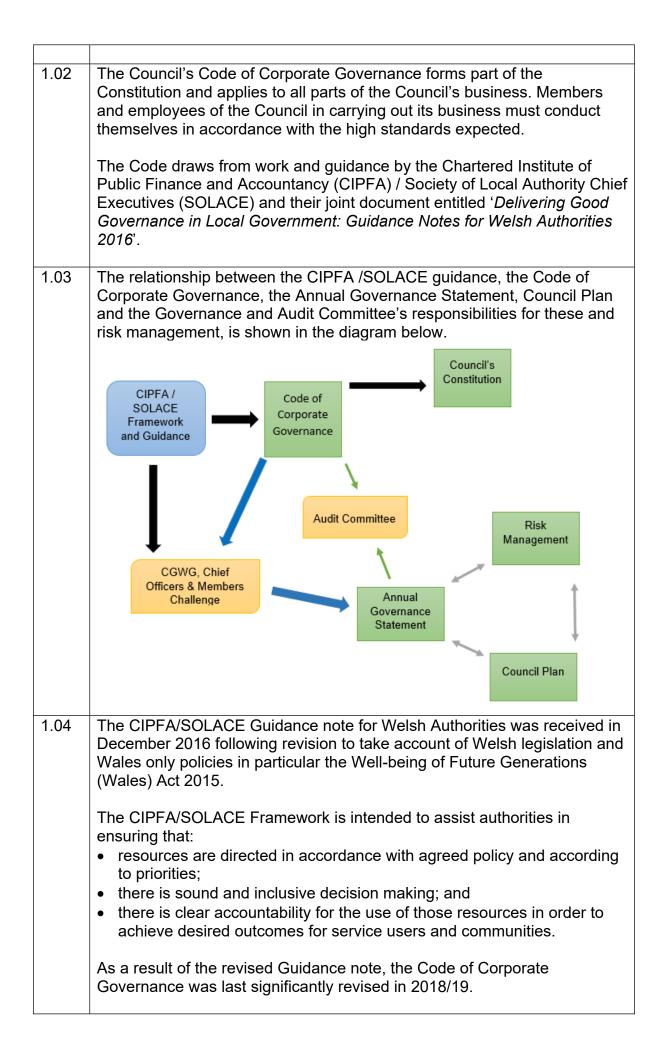
As the Code of Corporate Governance forms part of the Council's Constitution it will be presented for endorsement at the next Constitution and Democratic Services Committee in June 2022.

## RECOMMENDATIONS

1	The Committee to endorse the updated Code of Corporate Governance	
	adoption as part of the Council's Constitution.	

## **REPORT DETAILS**

1.00	EXPLAINING THE CODE OF CORPORATE GOVERNANCE
1.01	The Corporate Governance Working Group (CGWG) has two main roles: To annually review the Code of Corporate Governance and the preparation of the Annual Governance Statement (AGS). Under both roles the Group prepares draft documentation for consideration by the Chief Executive, Monitoring Officer and Section 151 Officer prior to consideration by the Governance and Audit Committee. The membership of this officer working group is detailed within Appendix A, Section 4 attached.



	The updating and formatting review of the code was initially carried out by the Corporate Governance Working Group followed by consultation with the Chief Executive, Monitoring Officer and Section 151 Officer. The revised code can be seen at Appendix A.	
1.05	The seven principles for the code (taken from the Framework) are as follows:	
	<ul> <li>A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law;</li> <li>B Ensuring openness and comprehensive stakeholder engagement;</li> <li>C Defining outcomes in terms of sustainable economic, social and environmental benefits;</li> <li>D Determining the interventions necessary to optimise the achievement of the intended outcomes;</li> <li>E Developing the Council's capacity, including the capability of its leadership and the individuals within it;</li> <li>F Managing risks and performance through robust internal control and strong public financial management;</li> <li>G Implementing good practices in transparency, reporting and audit to deliver effective accountability.</li> </ul>	
1.06	The principles of the Code are to be used by the Corporate Governance Working Group, Chief Officers and Overview and Scrutiny Committee chairs to help inform the preparation of the Annual Governance Statement.	
1.07	Whilst we continued to work through the pandemic there was no change to the internal controls and how we delivered the seven principals of the code, the Council in some parts needed to adapt its governance and risk management arrangements in order to respond to the pandemic. This is covered in section within Appendix A, section 2 attached.	

2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	With the Corporate Governance Working Group, Chief Executive, Monitoring Officer, section 151 Officer and senior officers where appropriate.

4.00	RISK MANAGEMENT
4.01	The main risk is in not updating the Code, meaning it does not reflect the systems in place or meet the requirements.

Similarly, in order to comply with requirements, the AGS needs to be prepared each year with input from members and officers, including an annual review of the effectiveness of governance.
Both these risks are addressed through the adopted processes and approach each year, which reflect new or additional best practice and guidance.

5.00	APPENDICES
5.01	Appendix A: Code of Corporate Governance

6.00	LIST OF ACCESS	IBLE BACKGROUND DOCUMENTS
6.01	None.	
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7.00	GLOSSARY OF TERMS
7.01	<b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities.
	It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership.
	It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management Processes.