

MAIDSTONE BOROUGH COUNCIL

CABINET

WEDNESDAY, 14 AUGUST 2013

REPORT OF THE CHIEF EXECUTIVE

Report prepared by Paul Riley

1. LOCAL CODE OF CORPORATE GOVERNANCE

1.1 Issue for Decision

1.1.1 To enable Cabinet to review and approve or amend the Local Code of Corporate Governance.

1.1.2 To consider the views of the Audit Committee following their consideration of the Local Code of Corporate Governance.

1.2 Recommendation of The Chief Executive

1.2.1 That Cabinet agree the Local Code of Corporate Governance set out at Appendix A subject to consideration of the views of the Audit Committee.

1.3 Reasons for Recommendation

1.3.1 The principles and standards of good governance in local government have been considered and debated on various occasions since the early 1990's. Various guides and publications on governance frameworks have been released and in 2003 the Council adopted a local code of corporate governance. This code is regularly reviewed and amendments are reported for approval to Cabinet along with the views of the Audit Committee as part of its role in governance and risk.

1.3.2 Confidence in public sector governance is of critical importance, given the huge investments by government and council taxpayers in local services and the Council has recognised the importance of the core principles as set out in the CIPFA/SOLACE publication "Delivering Good Governance in Local Government" published in 2007. The core principles are:

1. focus on the purpose of the Authority and on outcomes for the community in creating and implementing the vision for the local area;
2. members and officers will work together to achieve a common purpose with clearly defined functions and roles;
3. promote values for the Authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour;
4. take informed and transparent decisions which are subject to effective scrutiny and manage risk;
5. develop the capacity and capability of members and officers to be effective;
6. engage with local people and other stakeholders to ensure robust public accountability.

1.3.3 Since 2004 an officer working group has reviewed and monitored corporate governance issues at an operational level. This group has existed in various guises and with differing levels of officer representation. The current group includes all members of the Corporate Leadership Team, the Head of Audit Partnership, the Head of Policy and Communications and the Head of Finance and Resources.

1.3.4 During 2012/13 the working group has considered the framework in operation and agreed minor amendments which have been reflected in the Local Code of Corporate Governance attached as **Appendix A**.

1.3.5 The Local Code of Corporate Governance was reported to Audit Committee on 12 August 2013. A verbal update of the Audit Committee's view along with any urgent reference they may agree to make will be provided at the meeting.

1.4 Alternative Action and why not Recommended

1.4.1 Consideration of the Local Code of Corporate Governance on an annual basis to ensure it is updated and an effective code is considered best practice. In the past the code has not been reviewed every year and Cabinet could consider not to do so. This approach is not recommended and the officer working group has already agreed to make the review a rolling review in operational terms and to ensure that any changes are reported to Audit Committee and Cabinet on an annual basis.

1.5 Impact on Corporate Objectives

1.5.1 Good corporate governance is an essential part of corporate and customer excellence.

1.6 Risk Management

1.6.1 The Local Code of Corporate Governance identifies the processes used by the Council to involve the public in decision making and those for service delivery and standards. These issues are essential to address reputational risk and to help demonstrate value for money.

1.6.2 The Local Code of Corporate Governance also identifies the processes whereby the Authority addresses risk management as part of good corporate governance arrangements.

1.6.3 Maintaining a Local Code of Corporate Governance that is out of date can mean that changes required to maintain corporate governance are not identified and reported for consideration and approval.

1.7 Other Implications

- 1. Financial
- 2. Staffing
- 3. Legal
- 4. Equality Impact Needs Assessment
- 5. Environmental/Sustainable Development
- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

1.8 Relevant Documents

1.8.1 Appendices

1.8.2 **Appendix A** – The Local Code of Corporate Governance

IS THIS A KEY DECISION REPORT?

THIS BOX MUST BE COMPLETED

No

If yes, this is a Key Decision because:

.....

Wards/Parishes affected:

.....