

MAIDSTONE BOROUGH COUNCIL

AUDIT

MONDAY 14 JULY 2014

REPORT OF CHIEF EXECUTIVE

Report prepared by Angela Woodhouse

1. LOCAL CODE OF CORPORATE GOVERNANCE

1.1 Issue for Decision

- 1.1.1 The Audit Committee is asked to consider the Local Code of Corporate Governance for referral to the Audit Committee prior to sign off by the Chief Executive and Leader.

1.2 Recommendation of the Chief Executive

- 1.2.1 That the Audit Committee considers the Local Code of Corporate Governance for approval prior to sign off by the Chief Executive and the Leader.

1.3 Reasons for Recommendation

- 1.3.1 The Local Code of Corporate Governance was adopted in 2003, since then the code has been reviewed annually to ensure it remains fit for purpose and up to date.
- 1.3.2 Corporate governance is the processes, procedures and measures we use to manage ourselves and how we engage with and are accountable to our residents. Maidstone Borough Council must ensure that it does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. The Code identifies the six core principles and how the council will fulfill these obligations.

The core principles are as follows:-

- 1) The Authority will focus on its purpose and on outcomes for the community in creating and implementing a vision for the local area.
- 2) Members and officers will work together to achieve a common purpose with clearly defined functions and roles.

- 3) Members and officers will promote the core values for the Authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour and will:
- 4) The Authority will take informed and transparent decisions which are subject to effective scrutiny and will manage risk.
- 5) The Authority will develop the capacity and capability of Members and officers to be effective.
- 6) The Authority will engage with local people and other stakeholders to ensure robust public accountability.

1.3.3 In broad terms Maidstone Borough Council addresses Corporate Governance through the following main areas:-

- a) **Constitution** – Constitution has a comprehensive scheme of delegation to Members and officers and therefore clearly sets out the arrangements for the provision of services. This includes effective Overview and Scrutiny, Standards and Audit Committee arrangements. The Constitution is backed up by Codes of Conduct for both officers and Members;
- b) **Vision** - The Council has a long term vision (through the sustainable community strategy) with short to medium term delivery through the Strategic Plan, which is reviewed annually. The delivery of priorities is related to funding availability and capacity through the Budget Strategy and is based on consultation with partners and public;
- c) **Comprehensive Performance Management** - arrangements are in place incorporating strategic and service based risk management and business continuity. Reporting on performance is undertaken through quarterly reports on the Authority's Key Performance Indicators and monthly reviews by officers of service performance through Reach the Summit. The system of Performance Management runs in parallel with and is related to a comprehensive system of financial management;
- d) **Partners and Public** – Partners and the public are consulted regularly on the Authority's service priorities and budget issues and reports to the public on finance and performance are undertaken through Borough Update and an annual report;

- e) **Staffing** – There is a comprehensive Code of Conduct for officers and Corporate Governance is embedded in the Authority’s core values: Service, Teamwork, Responsibility, Integrity, Value and Equality (STRIVE).
- 1.3.4 The Local Code of Corporate Governance has been reviewed alongside the preparation of the Annual Governance Statement. Schedule 1 of the document has been reformatted to take out duplication and the actions to fulfill each principle have been reviewed with some amendments made for accuracy.
- 1.4 Alternative Action and why not Recommended
- 1.4.1 The Audit Committee could choose not to review the Local Code however 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.
- 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 by which 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
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| 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

Appendix A – Local Code of Corporate Governance

<p><u>IS THIS A KEY DECISION REPORT?</u></p> <p>Yes <input style="display: inline-block; width: 50px; height: 25px; vertical-align: middle;" type="checkbox"/></p> <p>No <input checked="" style="display: inline-block; width: 50px; height: 25px; vertical-align: middle;" type="checkbox"/></p> <p>If yes, this is a Key Decision because:</p> <p>.....</p> <p>Wards/Parishes affected:</p> <p>.....</p>	<p><u>THIS BOX MUST BE COMPLETED</u></p>
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