

**ANGUS COUNCIL**

**SCRUTINY AND AUDIT COMMITTEE – 16 JUNE 2020**

**CORPORATE GOVERNANCE – LOCAL CODE OF CORPORATE GOVERNANCE 2020**

**REPORT BY MARGO WILLIAMSON, CHIEF EXECUTIVE**

**ABSTRACT**

This report advises of the outcome of the review of the Local Code of Corporate Governance and presents the revised Local Code for approval.

**1. RECOMMENDATIONS**

It is recommended that the Scrutiny & Audit Committee review and approve the revised Local Code of Corporate Governance.

**2. ALIGNMENT TO THE ANGUS COMMUNITY AND COUNCIL PLANS**

This report supports the Council's commitment to the principles of good corporate governance, which in turn supports services in the delivery of local outcomes set out in the Community Plan and the Council Plan.

**3. BACKGROUND**

Governance refers to the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The key principles of the governance framework by which the council directs and controls its business functions are incorporated into a Local Code of Corporate Governance.

Angus Council first adopted a Local Code in 2002. It has been regularly reviewed and updated to ensure consistency with best practice and guidance, in particular the CIPFA/SOLACE framework *Delivering Good Governance in Local Government*.

**4. LOCAL CODE OF CORPORATE GOVERNANCE 2020**

The CIPFA/SOLACE framework *Delivering Good Governance in Local Government* was revised during 2016 and related *Scottish Guidance Notes* were published in November 2016. The framework sets out seven core principles for good governance:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

The Local Code of Corporate Governance affirms the council's commitment to achieving good standards of corporate governance. It sets out the key policies, procedures and structures which demonstrate the council's compliance with the seven core principles. The Local Code has been reviewed and updated and is attached at Appendix 1.

This review process is carried out on an annual basis, and it is highlighted that changes this year are mainly updates to key documents and references rather than anything more substantive.

Members are asked to review and approve the Local Code of Corporate Governance 2020.

## **5. ANNUAL REVIEW**

The Chief Executive is responsible for providing assurances annually to elected members that the council's approach to corporate governance is both appropriate and effective in practice. Further details of the review process are outlined in the Local Code.

The 2019/20 review is the subject of a separate report to this committee (Report 163/20 refers).

## **6. FINANCIAL IMPLICATIONS**

There are no financial implications arising directly from this report.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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### **Appendices:**

1. Local Code of Corporate Governance 2020