
To: Audit, Scrutiny and Petitions Board

On: 25 April 2016

Report by: Chief Auditor

Heading: Compliance with the Code of Corporate Governance

1. Summary

- 1.1. Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. The Council's Local Code of Corporate Governance came into effect formally on 1 April 2002.
- 1.2. The Director of Finance and Resources has responsibility for reporting annually to the Audit, Scrutiny and Petitions Board on compliance with the Code and any changes to the Code that may be necessary to maintain it and ensure its effectiveness in practice. In addition, the Council's Chief Auditor has responsibility to review independently and report to the Audit, Scrutiny and Petitions Board annually, to provide assurance on the adequacy and effectiveness of the Code and the extent of compliance with it.
- 1.3. Internal Audit has reviewed the adequacy and effectiveness of the revised Code which is being presented to the Audit, Scrutiny and Petitions Board on 25 April 2016. Based on our sample check of the evidence used to demonstrate compliance, we would confirm that the Council complies with the requirements of the Local Code of Corporate Governance. In addition, it is evident that the Local Code has been subject to review and updating in line with developments in best practice and any revised Council Policies.
- 1.4. The Director of Finance and Resources endorses the Chief Auditor's recommendation that the Local Code should continue

to be subject to an annual review to ensure that it continues to reflect developments in best practice in governance.

2. Recommendations

- 2.1 Members are invited to note the contents of this report.
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3. Background

- 3.1. The Council's Local Code of Corporate Governance came into effect formally on 1 April 2002.
- 3.2. In 2007, CIPFA (Chartered Institute of Public Finance and Accountancy) in conjunction with SOLACE (Society of Local Authority Chief Executives and Senior Managers) published a revised Corporate Governance Framework – "Delivering good governance in Local Government". The Council's Local Code was updated in line with this best practice framework.
- 3.3. CIPFA, in conjunction with SOLACE, recognised that authorities of different types and geographical areas are subject to separate legislative arrangements and in 2008, published a guidance note for Scottish Authorities to complement their Corporate Governance Framework. The Council's Local Code of Corporate Governance has been reviewed and updated in line with this guidance note and also to reflect any updated Council policies.
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Implications of the Report

1. **Financial** - None
2. **HR & Organisational Development** - None
3. **Community Planning** - None
- Children and Young People** – None
- Community Care, Health and Wellbeing** – None
- Empowering our Communities** – None
- Greener** – None
- Jobs and the Economy** - None

Safer and Stronger – This report provides assurance that the governance arrangements in place show a clear commitment to following governance best practice guidance and of promoting the involvement of customers, staff and partners in service delivery.

4. **Legal** - None

5. **Property/Assets** - None

6. **Information Technology** - None

7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – None

9. **Procurement** - None

10. **Risk** - None

11. **Privacy Impact** – None

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