

Date of Meeting 17 November 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Review of the Local Code of Corporate Governance

Report summary:

The Council's Code of Corporate Governance, which sets out our overarching approach to our corporate governance arrangements, was adopted by Cabinet in February 2019 and is now due for review. It is a requirement of the Constitution that Cabinet consult with Audit & Governance in relation to the approval, implementation and monitoring of the Code of Corporate Governance. Having reviewed the Code, it is recommended to the Committee that they recommend to Cabinet to continue to use the current Code unchanged with a further review in two years' time.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the Committee recommend to Cabinet that the current Local Code of Corporate Governance should continue without amendment and be reviewed again in two years' time, unless circumstances require an earlier review.

Reason for recommendation:

The Council regularly reviews the policies, codes and procedures that govern the way we operate. The Code of Corporate Governance (see background link) provides the overarching framework for the Council's Corporate Governance. It was last updated in December 2016 following revised guidance from CIPFA/SOLACE and reviewed in January / February 2019. It is not a standalone document but rather identifies the key principles that the Council agrees to follow in establishing our governance framework. It is supported by a number of other documents, being our key policies, which in combination seek to ensure that the Council has systems, processes, culture and values that we engage with and act by and are accountable in respect of. Ultimately the Code is about ensuring that the Council does the right things, in the right way for the right people in a timely, inclusive, open, honest and accountable manner.

The effectiveness of the Code of Corporate Governance is monitored through a number of routes, including the production of the Annual Governance Assurance Statement which comes before this Committee for approval. Section 11 of the Code details other mechanisms which contribute on an ongoing basis to monitoring the overall effectiveness. In that regard the role of both our internal and external auditors plays an important part. At the 16th March 2022 Audit & Governance Committee meeting, Grant Thornton presented their Audit Findings Report 2021. This report did not conclude that the Council's Annual Governance Statement did not confirm to the CIPFA / Solace 2016 guidance on disclosures or that there was anything misleading or inconsistent in it when considered against their findings. Audits are now expected to look in greater detail at the

issue of value for money including the Council's wider arrangements in relation to improving economy, efficiency and effectiveness, financial stability and governance. The report identified a risk in relation to the Council's governance arrangements in responding to results from a Health and Safety Survey. It was noted that this risk would be considered further. At the 28th July 2022 Audit & Governance meeting, Grant Thornton presented their Annual Report 2020/21. This considered in more detail the value for money issue and ultimately concluded that there were 'no significant weaknesses in arrangements' in relation to improving economy, efficiency and effectiveness, financial stability and governance, although there were a series of improvements identified. At the same meeting of the Audit & Governance Committee, SWAP presented their Internal Audit Annual Assurance Opinion 2021/22. The report recognises that '*Internal Audit function plays a central role in corporate governance by providing assurance to the Annual Audit, Governance and Standards Committee, looking over financial controls and checking on the probity of the organisation. The 2021-22 Annual Audit Plan provided independent and objective assurance on EDDC Internal Control Environment. This work supported the Annual Governance Statement.*'. The opinion noted that '*there is generally a sound system of governance, risk management and control in place*' and gave a '**Reasonable Assurance opinion**'.

There have been no concerns raised regarding the suitability or effectiveness of the Code of Corporate Governance and there has been no legislative or guidance changes that would necessitate any revisions being made.

It is therefore considered that the adopted Code of Corporate Governance continues to reflect the current standard as to what constitutes good governance and that the Council's approach remains relevant and effective. The monitoring processes identified in the Code will continue including the continued publication of the Annual Governance Assurance Statement.

For the above reasons it is recommended that the adopted Code continues to be of effect without amendment with a further review to be carried out by the Monitoring Officer in two years' time.

Officer: Henry Gordon Lennox, Strategic Lead Governance and Licensing & Monitoring Officer

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information

[Code of Corporate Governance](#)

[28th July Audit & Governance Committee meeting](#)

[16th March Audit & Governance Committee meeting](#)

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
 - A greener East Devon
 - A resilient economy
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Financial implications:

There are no direct financial implications.

Legal implications:

The Code accords with the CIPFA/SOLACE guidance. The Corporate Governance framework is a fundamental control element to the Council's activities. This document is the overarching document which sets out our overall approach to governance. It is supported and expanded upon by our key policies and the other monitoring activities set out therein. It is important that the Council has an up to date Code of Corporate Governance, not least because it helps inform the production of the statutory Annual Governance Assurance Statement but also because it helps demonstrate to the public that there are appropriate internal controls and accountability for actions. The review confirms that there are no amendments required to the Code and that it should continue to apply as adopted. The Council must have regard to it when formulating related policies or when considering governance related matters. Otherwise there are no legal implications arising.