

By: Ben Watts, General Counsel (Monitoring Officer)
To: Governance and Audit Committee – 25 January 2022
Subject: Code of Corporate Governance
Classification: Unrestricted

Summary: Following previous discussion at this Committee, the Code of Corporate Governance has been revised and a draft is presented for Member discussion and approval. County Council approval is required before the Constitution can be updated.

1. Introduction

- a) Although not mandatory, Kent County Council has a Code of Corporate Governance based on guidance from CIPFA. Many authorities have included it in their formal constitution like KCC, but practice varies. The current version of KCC's Code of Corporate Governance is set out in section 26 of the Council's Constitution.
- b) The Head of Internal Audit and the statutory officers (Head of Paid Service, Corporate Director of Finance and Monitoring Officer) have all recognised and advised that it is timely for the Council to review and change the Code of Corporate Governance to reflect CIPFA guidance, best practice and the new strategic and operational realities of the Council.
- c) At its meeting of 22 September 2022, I presented a discussion paper on the different approaches that could be taken with regards modernising the Code of Corporate Governance.

2. Revised Code

- a) This was a useful discussion, and the longer-term review will continue as part of the ongoing programme of modernising the Council's governance. In the short-term, Members agreed that the Code should be amended so that it reflected the latest version of the CIPFA/SOLACE framework and reflected the CIPFA Financial Management Code.
- b) The updated draft of the Code of Corporate Governance is set out in Appendix A. Because the latest version of the CIPFA/SOLACE framework has seven principles rather than the six existing in our current Code, showing the proposed changes to section 26 of the Constitution as track changes would make it very difficult to read. In the interests of clarity, the current section 26 is set out in Appendix B. Some minor changes have been made to the "Introduction to the Code of Corporate Governance" – notably, setting out the principles as a set of bullet points in section 26.5, reference to the CIPFA Financial Management Code at section 26.6, and

adding “Developments in improving corporate governance will be reported on a routine basis to the Governance and Audit Committee” to section 26.9.

- c) The independent member of Governance and Audit has been consulted in the production of the draft set out in Appendix A.

3. Recommendation:

That the Committee discuss the report and recommend to County Council that the updated draft Code of Corporate Governance be approved and section 26 of the Constitution amended accordingly.

4. Background Documents

Delivering Good Governance in Local Government: Framework (2016 edition) – CIPFA/SOLACE.

5. Report Author and Relevant Director

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