

By: Ben Watts, General Counsel (Monitoring Officer)

To: County Council – 10 March 2022

Subject: Code of Corporate Governance

Classification: Unrestricted

Past Pathway of Paper: Governance and Audit Committee – 25 January 2022

Future Pathway of Paper: N/A

Electoral Division: All

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Summary: This report sets out a request for approval to update the Code of Corporate Governance as set out in Section 26 of the Constitution. The draft revised Code is set out in Appendix A.

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## **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) Following discussions at the Governance and Audit Committee, the Committee is recommending to the County Council the adoption of the revised Code of Corporate Governance as set out in Appendix A.
- d) The production of the revised Code will be covered in the Annual Report of the Governance and Audit Committee which the Committee has undertaken to prepare for County Council. Further work on refining the code in light of the comments from Members of Governance and Audit Committee and the planned governance activity within my service will also mean that County Council will be updated on any further changes.

## **2. Revised Code**

- a) The draft before County Council brings the Code up to date so that it reflects the latest version of the CIPFA/SOLACE framework and reflected the CIPFA Financial Management Code. A longer-term review will continue as part of the ongoing programme of modernising the Council's governance.
- 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 County Council approve the updated Code of Corporate Governance and section 26 of the Constitution amended accordingly.

## **4. Appendices**

Appendix A – Proposed revision of the Code of Corporate Governance/Section 26 of the Constitution.

Appendix B – Current version of the Code of Corporate Governance/Section 26 of the Constitution.

## **5. Background Documents**

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

## **6. Report Author and Relevant Director**

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