

**Code of Corporate Governance  
Report by Hillary Kelly, Head of Customer Services****1 Purpose of Report**

This report proposes a revised Code of Corporate Governance for 2013/14 and seeks Audit Committee review before this is presented to Council for approval.

**2 Background**

**2.1** A self assessment of the Council's governance arrangements has been undertaken in line with CIPFA/SOLACE guide 2007 - Delivering Good Governance in Local Government Framework. The self assessment aims to demonstrate through documentary evidence and action that the Council's governance practices meet the suggested criteria and the arrangements have been scored on a scale of 1 to 4.

1. Not compliant with the local code requirements
2. Partially compliant with the local code requirements
3. Fully compliant with the requirements of the local code
4. Exceed the requirements of the local code.

The result of the self assessment is attached at Appendix 1.

The self assessment has shown that the Council is fully compliant with a number of areas within in the code. It is believed that although evidence is available which could be viewed as exceeding the requirements of the local code, it would not necessarily be possible to demonstrate that the Council has a consistent approach to monitoring, embedding and communicating these aspects across all parts of the organisation.

**2.2** The revised Code of Corporate Governance (Appendix 2) has been updated to reflect the results of the self assessment and includes an improvement action plan at Part 1. Part 2 of the code then describes the principles of good governance and how the council aims to achieve these. Finally Part 3 identifies the council's policy and procedures that are essential to demonstrate compliance with these principles.

**2.3** In accordance with Midlothian Council's Standing Orders and Scheme of Delegation, paragraph 4.3, subsection (10), Audit Committee is required to:

*“Review the Code of Corporate Governance and Annual Assurance Statement”.*

### **3 Report Implications**

#### **3.1 Resource**

There are no additional resource implications arising from this report.

#### **3.2 Risk**

This report and the attached Code of Corporate Governance (Appendix 2) aim to mitigate the risk of poor corporate governance within the Council. It is proposed to review the self assessment on an annual basis as a precursor to the preparation of the Annual Governance Statement and to refresh Part 3 of the Code to reflect any changes in policies and procedures at each review.

#### **3.3 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:-

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

#### **3.4 Impact on Performance and Outcomes**

This report has no direct impact on performance and outcomes.

#### **3.5 Adopting a Preventative Approach**

This report does not directly contribute to adopting a preventative approach.

#### **3.6 Involving Communities and Other Stakeholders**

This report has no implications on communities and other stakeholders.

#### **3.7 Ensuring Equalities**

This report is not proposing new services, policies, strategies or plans and therefore an EQIA is not required.

#### **3.8 Supporting Sustainable Development**

This report does not directly contribute to supporting sustainable development.

#### **3.9 IT Issues**

There are no IT issues relative to this report.

## **4 Recommendations**

Audit Committee is invited to:-

- a) Consider and review the draft revised Code of Corporate Governance 2013/14; and
- b) Endorse this draft Code to be passed to Council for approval and adoption.

**15 October 2013**

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**Background Papers:**

**Appendix 1 – Self-assessment against Code of Corporate Governance 2013/14**  
**Appendix 2 – Draft Midlothian Code of Corporate Governance 2013/14**

## **Declaration Box**

**Instructions: This box must be completed by the author of the report. The box will be copied and saved by the Council Secretariat who will delete it from the report prior to photocopying the agenda.**

**Title of Report: Code of Corporate Governance**

**Meeting Presented to: Audit Committee**

**Author of Report: Hillary Kelly**

*I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-*

- All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.*
- All risk implications have been addressed.*
- All other report implications have been addressed.*
- My Director has endorsed the report for submission to the Council Secretariat.*

*For Cabinet reports, please advise the Council Secretariat if the report has an education interest. This will allow the report to be located on the Cabinet agenda among the items in which the Religious Representatives are entitled to participate.*

*Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.*