

<i>COMMITTEE</i>	STANDARDS COMMITTEE
<i>DATE</i>	THURSDAY, 29 JULY 2004
<i>TITLE OF REPORT</i>	MONITORING OF COMPLIANCE WITH CIPFA/SOLACE CODE OF CORPORATE GOVERNANCE
<i>RESPONSIBLE OFFICER</i>	Mark Bowen, assistant director, legal and contract services Richard Humphrey, audit services manager

1 PURPOSE OF REPORT

- 1.1 To present the annual report for the committee on compliance with the CIPFA/SOLACE Code of Governance at Medway.

2 RECOMMENDATION

- 2.1 That members endorse the Audit of Corporate Governance attached to the report.

3 DECISION ISSUES

- 3.1 The constitution gives the Standards Committee a leading role in ensuring high standards of conduct and governance at Medway.

4 BACKGROUND

- 4.1 The Society of Local Authority of Chief Executives and Senior Managers (SOLACE) has collaborated with CIPFA to publish a framework for corporate governance entitled "Corporate Governance in Local Government – A Keystone for Community Governance". The code is not mandatory but is regarded as good practice and demonstrating compliance with it is a key indicator in showing best practice. The framework within the code identifies the principles which should underpin the governance of local authorities as being:

- Openness and inclusivity
- Integrity
- Accountability

- 4.2 Within these the following key principles of corporate governance need to be reflected in all dimensions of the council's business:

- Community focus
- Service delivery arrangements
- Structures and procedures
- Risk management and internal control
- Standards of conduct

4.3 The council adopted the CIPFA/SOLACE code at its meeting on 4 December 2003 and the Standards Committee at its meeting on 16 March 2004 instructed the Monitoring Officer to bring an annual report to the committee on compliance with the CIPFA/SOLACE code.

5 THE AUDIT OF CORPORATE GOVERNANCE

5.1 The council's internal audit team has recently undertaken an audit of corporate governance at Medway. A copy of the outcome of that audit is appended to this report. In summary the report concludes that Medway complies with the key requirements of the CIPFA/SOLACE code and that Medway's standing on corporate governance has increased from satisfactory to good.

5.2 The report contains two recommendations relating to risk management but there are no recommendations on the main areas within the scope of this committee.

6 LEGAL AND FINANCIAL IMPLICATIONS

6.1 There are no financial implications arising from this report. The key legal implications are set out in the body of the report.