

STANDARDS COMMITTEE

8 FEBRUARY 2007

MONITORING OF COMPLIANCE WITH CIPFA/SOLACE CODE OF CORPORATE GOVERNANCE

Report from: Deborah Upton, Assistant Director, Legal and Contract Services

1 Purpose of the 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 this 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 Chief Executives and Senior Managers (SOLACE) has collaborated with the 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 principles, the following key areas 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.

5 The audit of corporate governance of medway

5.1 A copy of the outcome of the 2005/06 audit is appended to the report. In summary, the report concludes that Medway complies with the key requirements of the CIPFA/SOLACE code and Medway's standing on corporate governance has been assessed as satisfactory.

5.2 The rating of satisfactory takes into account that:

- the risk management process has not yet been embedded into the Council's business processes,
- the anti-fraud and corruption strategy needs to be updated and publicised, and
- the whistleblowing procedure has not been made available to external contractors.

5.3 However, no management action plan was considered necessary, as it would be a duplication of plans previously agreed and published in other audit reports.

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.

BACKGROUND PAPERS

None.

Lead officer contact

Name Deborah Upton
Job Title Assistant Director, Legal and Contract Services
Telephone: 01634 332133 Email: deborah.upton@medway.gov.uk