

Committee: STANDARDS (ADVISORY) COMMITTEE	Date: 18 June 2013	Classification: UNRESTRICTED	Report No.	Agenda Item No.
Report Of: Assistant Chief Executive (Legal Services)		Title: Corporate Governance Review		
Originating Officer: Isabella Freeman		Wards Affected: All		

1. SUMMARY

- 1.1 The Council's corporate governance arrangements are reviewed regularly against a framework of good practice produced jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).
- 1.2 This previous review was completed in 2011 and this report informs Members of the outcome of the most recent review completed in May this year.

2. RECOMMENDATION

The Standards (Advisory) Committee is recommended to: -

- 2.1 Note the content of this report and the outcome of the review as detailed in Appendix A.

**LOCAL GOVERNMENT ACT 2000 (SECTION 97)
LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT**

Brief description of "background paper"

**Tick if copy
supplied for register**

**If not supplied, name
and telephone number
of holder**

Standards Committee file

Isabella Freeman 020 7364 4800

3. **BACKGROUND**

- 3.1 The Committee's terms of reference include promoting and maintaining high standards of Member conduct and advising on local protocols for both officer and Member governance. These are matters which form an intrinsic part of the Council's corporate governance arrangements.
- 3.2 Corporate governance is the system by which local authorities direct and control their functions and relate to their communities. This will include decision making processes at all levels within the Council, community engagement, partnership activities, procurement procedures and Member/officer roles, responsibilities and conduct.
- 3.3 On a regular basis, officers have mapped the Council's arrangements for corporate governance against the framework of good practice originally produced jointly by CIPFA and SOLACE in 2001. Since that time local government has been subject to continued reform to improve local accountability and engagement and the framework was revised in June 2007. In October 2007 the former statutory Standards Committee agreed the Council's current Local Code of Corporate Governance which reflects the requirements of the CIPFA/SOLACE framework.
- 3.4 The outcome of the review against the framework is detailed in the checklist at Appendix A. The framework identifies the following six core principles of good governance:
- **Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.**
 - **Members and officers working together to achieve a common purpose with clearly defined functions and roles.**
 - **Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.**
 - **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.**
 - **Developing the capacity and capability of members and officers to be effective.**
 - **Engaging with local people and other stakeholders to ensure robust public accountability.**
- 3.5 These six core principles are supplemented by a number of supporting principles as set out in the review checklist attached as Appendix A. The checklist also identifies the requirements which underpin the Local

Code of Corporate Governance and the specific source documents currently maintained by the Council to ensure compliance with these principles.

- 3.6 The previous review of corporate governance arrangements was completed in 2011. The fifth column in Appendix A therefore specifies the compliance/action identified as being required as a result of the 2011 review and the final column in Appendix A sets out the progress to date, any further action that needs to be taken and designates the responsible officer(s).
- 3.7 As part of the review process, the checklist has been considered by senior council officers to identify any further necessary action required as set out in the final column of Appendix A.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 There are no immediate financial implications arising out of this report.

6. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 5.1 This report has been prepared by the Assistant Chief Executive (Legal Services) who is also the Council's monitoring officer and incorporates legal comments.

6. RISK MANAGEMENT IMPLICATIONS

- 6.1 Good corporate governance arrangements are essential to the operation and reputation of the Authority. Compliance with the revised CIPFA/SOLACE framework will ensure that the Council's arrangements are robust and improved where necessary.

7. ONE TOWER HAMLET CONSIDERATIONS

- 7.1 A robust corporate governance framework is key to maintaining effective community leadership and confidence in local democracy.

8. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 8.1 There are no specific crime and disorder reduction implications arising out of this report.

9. SAGE IMPLICATIONS

- 9.1 This report has no immediate implications for the Council's policy of strategic action for a greener environment.

10. APPENDICES

Appendix A – To Follow