

Non-Executive Report of the: Audit Committee Tuesday, 21 July 2020	 TOWER HAMLETS
Report of: Asmat Hussain, Corporate Director, Governance and Monitoring Officer	Classification: Open (Unrestricted)
Code of Corporate Governance - Annual Review	

Originating Officer(s)	Matthew Mannion, Head of Democratic Services Farhana Zia, Democratic Services Officer (Committees)
Wards affected	(All Wards);

Executive Summary

The Code of Corporate Governance sets out the Council's commitment to uphold the highest standards of good governance.

The Code was first created in 2018 and was informally reviewed in 2019. For the 2020 Review it has been determined that it is appropriate to give the document more prominence and so it is being presented as a stand-alone report to the Audit Committee for endorsement.

Recommendations:

The Audit Committee is recommended to:

1. Review and comment on the revised Code of Corporate Governance
2. Endorse the Code and agree that it be published on the Council's website to increase the visibility of the Code.
3. To delegate to the Head of Democratic Services, following consultation with the Chair of the Audit Committee and the Head of Internal Audit, Fraud and Risk, the authority to make minor changes to the Code as required before final publication on the Council's website.

1. REASONS FOR THE DECISIONS

- 1.1 The Code of Corporate Governance forms an important part of the Council's suite of governance controls and documentation. The Code is reviewed annually and the Audit Committee is asked to review and endorse the content of the revised Code.

2. ALTERNATIVE OPTIONS

- 2.1 The Code has been produced in line with CIPFA best practice, but the Audit Committee is able to propose additions/alterations if considered appropriate. The Committee could also review the general style/layout of the Code and suggest improvements.

3. DETAILS OF THE REPORT

- 3.1 The Council's Annual Governance Statement produced by the Council each year, sets out its view on the effectiveness of the Council's Corporate Governance.
- 3.2 Corporate Governance is defined as the systems, processes and values by which local government bodies are directed and controlled.
- 3.3 One of the key documents consulted when preparing the Annual Governance Statement is the Code of Corporate Governance. The Code sets out the key documents, policies and activities that underpin the Council's work.
- 3.4 It does this by splitting Governance into 7 key themes (listed as A – G in the document) and then setting out against each one the relevant activities and documentation.
- 3.5 The Code of Corporate Governance was first created in 2018 and was informally reviewed in 2019. On both occasions it was presented to the Audit Committee as an appendix to wider Audit governance reports.
- 3.6 In order to give the code more prominence it has been determined it would be appropriate to present it as its own agenda item with this cover report. Once endorsed by the Audit Committee, the finalised document will also be published on the 'Transparency' page of the Council's website to increase its visibility.

4. EQUALITIES IMPLICATIONS

- 4.1 There are none specific to this report. However, the Code of Corporate Governance includes a number of key documents in the Council's work to tackle equalities issues such as the Borough Profile, Equality Analysis work and staff training programmes.

5. OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 The Code of Corporate Governance helps demonstrate how the Council maintains awareness of many risks and implications set out above especially around Best Value, Data Protection and Risk Management.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 This report details the framework used by the Monitoring Officer to provide quarterly reporting of Members complaints via the Advisory Committee and the number and nature of complaints, as per para 1.1

6.2 There are no financial implications arising from this report. However, in the event that the Council agrees further action in response to this report, then approval for any further resources will need to be approved using existing financial regulatory rules prior to the making of any financial commitment.

7. COMMENTS OF LEGAL SERVICES

7.1 The Accounts and Audit Regulations 2015 require a local authority to conduct an annual review of the effectiveness of their system of financial control and to prepare an annual governance statement. Although there is no statutory requirement for an annual review of a Code of Corporate Governance it is best practice.

Linked Reports, Appendices and Background Documents

Linked Report

- Reports to the Audit Committee in July 2019 and 2018 which included as an Appendix previous versions of the Code of Corporate Governance.

Appendices

- Appendix 1 - The Code of Corporate Governance 2020 (to follow)

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- None

Officer contact details for documents:

N/A