

## REVIEW OF CORPORATE GOVERNANCE

### Introduction

*Good Governance in Local Government: A framework (June 2006)*, CIPFA SOLACE in 2001 CIPFA SOLACE published a framework for good governance in local authorities. This framework recommended that local authorities reviewed their governance arrangements against key principles of corporate governance identified in the framework and report annually on their effectiveness in practice. The code details six principles of good governance for local authorities which are underpinned by the key dimensions of the responsibilities of all local authorities. The dimensions are identified as follows:

- **Dimension 1:** To provide leadership for and with the community and to engage in effective partnerships
- **Dimension 2:** To ensure the delivery of high quality local services whether directly or in partnership or by commissioning
- **Dimension 3:** To perform a stewardship role which protects the interests of local people and makes best use of resources
- **Dimension 4:** To develop local democracy and citizenship.

The following principles have been identified as the core principles of good governance for local authorities.

- **Principle 1** - Focussing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area
- **Principle 2** - Members and officers working together to achieve a common purpose with clearly defined functions and roles
- **Principle 3** - Promoting the values of the authority and demonstrating the values of good governance through behaviour
- **Principle 4** - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- **Principle 5** - Developing the capacity and capability of members to be effective and ensuring that officers – including the statutory officers – also have the capability and capacity to deliver effectively
- **Principle 6** - Engaging with local people and other stakeholders to ensure robust local public accountability.

The code states that Council's must be able to demonstrate that they are complying with the principles of good governance and our review focussed on how Peterborough's governance arrangements comply with the core principles of good governance.

### Findings

Following the approval and adoption of the Local Code of Governance in March 2008, regular refreshes of the governance arrangements are made, whether constitutional issues which are reported through to Cabinet and Full Council, or internal procedural changes. All key changes are then documented in the year end Annual Governance Statement.

A separate strategic governance group has been established, which includes officers from Democratic Services, Investigations, Internal Audit and Legal Services.

Appropriate governance issues are picked up in each audit undertaken.

Self assessment arrangements made through Directors and Heads of Service cover the various attributes for governance (see **Appendix F**). Sample checks are undertaken to ensure compliance. Following assessment of the data available, the Chief Internal Auditor was able to conclude that there is Full Assurance in the current arrangements and the Council complies in all material aspects with these principles. Where issues have been identified; action is being taken, or is planned to address these.

Governance issues established in the Annual Governance Statement for 2007 / 2008 have been reported through the Audit Committee, highlighting the progress made to address them. Further updates are included in the 2008 / 2009 statement.

13 new issues have been established for 2008 / 2009 and these are included in the draft Annual Governance Statement. Progress / updates on these have been factored in to the Audit Committee Work Programme.

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