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**CORPORATE GOVERNANCE**

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**Responsible Cabinet Member(s) – Councillor Don Bristow, Resource Management Portfolio**  
**Responsible Director(s) – Paul Wildsmith, Director of Corporate Services; Lorraine O’Donnell, Head of Policy**

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**Purpose of Report**

1. To seek approval for the Constitution to be amended to reflect Cabinet’s recommendation as outlined in paragraph 15(b) of the attached report (**Appendix 1**)

**Background**

2. The Council’s external auditors, PricewaterhouseCoopers (PwC) have compared the Local Code for Corporate Governance against the CIPFA/SOLACE guidance as part of their work upon the financial aspects of corporate governance for the 2003/04 audit of accounts. They reported that Darlington’s Local Code met the requirements of the guidance but recommended two minor amendments to the narrative of the Local Code to expressly reflect the CIPFA/SOLACE guidance. The two amendments recommended were that:
  - (a) under ‘Service Delivery Arrangements’ (Dimension 2) the requirement to set standards should be referred to; and
  - (b) under ‘Structures and Processes’ (Dimension 3) the requirement to put in place clearly documented and understood management processes for policy development should be stated.

**Outcome of Consultation**

3. No formal consultation was undertaken in production of this report.

**Legal Implications**

4. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council’s approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

**Section 17 of the Crime and Disorder Act 1998**

5. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in

its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

6. The issues contained within this report are required to be considered by Council.

### **Conclusion**

7. PricewaterhouseCoopers (PwC) have recognised the Local Code as a key management tool for strengthening and improving the Council's corporate governance arrangements and again this year awarded the Council the maximum score of 4 for Corporate Governance arrangements under the Auditor Scored Judgements through the Comprehensive Performance Assessment. These minor changes to the Constitution will ensure that the authority fully complies with CIPFA/SOLACE guidance.

### **Recommendation**

8. Council are requested to amend the Constitution accordingly, as per paragraph 9 in **Appendix 1**.

### **Reasons**

9. The recommendations are supported to ensure the authority complies with CIPFA/SOLACE guidance, as recommended by the Council's external auditors, PricewaterhouseCoopers.

**Paul Wildsmith**  
**Director of Corporate Services**

**Lorraine O'Donnell**  
**Head of Policy**

### **Background Papers**

Resources Scrutiny Committee – 'Corporate Governance Update Report'; December 2003, July 2004 and January 2005

Cabinet Report – 'Corporate Governance' February 2005

Andy Robinson: Extension 2014