

GOVERNANCE STATEMENT
(Report by Head of Policy & Strategic Services)

1 INTRODUCTION

- 1.1 The purpose of this report is to seek the approval of the Panel to a Governance Statement on arrangements for and the exercise by the Council of corporate governance arrangements and its completion by authorised signatories.

2 BACKGROUND

- 2.1 Each year the Council are required to carry out a review of their governance arrangements to ensure compliance with their local Code and current good practice.
- 2.2 The purpose of the review is to provide assurance that governance arrangements are adequate and operating effectively or to identify action which is planned to ensure effective governance in the future.
- 2.3 The review comprises an analysis of the practical applications of the core principles, supporting principles and specific requirements set out in the Council's Code of Governance. This analysis reflects the work of service managers responsible for the development of the Governance Framework.
- 2.4 It is informed also by the Audit Manager's annual report and comments made by the external auditors and other inspectorates. The review also incorporates an assessment of the action taken to address issue identified during the last review. A copy of the review summary is attached (Appendix A).
- 2.5 The outcome of the review takes the form of a Governance Statement (Appendix B) prepared on behalf of the Leader of the Council and Chief Executive. It is expected that the Corporate Governance Panel should consider the Statement as part of their responsibilities and it is expected to be signed off by the Chairman of the Governance Panel.
- 2.6 The Governance Statement has been prepared in accordance with the statutory requirement of the Accounts and Audit Regulations to "conduct a review at least once in a year of the effectiveness of its system of internal control" and to prepare a statement on internal control "in accordance with proper practices".
- 2.7 As such the Governance Statement has been prepared in accordance with the timetable in anticipation of financial statements in accordance with the Audit and Accounts Regulations.

3 CONCLUSIONS

- 3.1 The Governance Statement for 2006/07 reviews the Council's corporate governance arrangements and their exercise during the course of the year. It details specific issues which were addressed and identifies others for consideration in 2007/08. The Statement is regarded as an essential element in assuring proper corporate governance practices by local authorities in the conduct of their business, in safeguarding the use of their resources and in engendering confidence in their accountability and integrity on the part of the electorate and other stakeholders.
- 3.2 As in previous years, it is envisaged that the Statement will be signed by the Chairman of the Panel, the Leader of the Council, the Chief Executive and the Director of Commerce & Technology on behalf of the Council.

4 RECOMMENDATIONS

- 4.1 The Panel is recommended to —
- approve the Statement of Assurance on Corporate Governance for 2005/06; and
 - authorise the Chairman of the Panel, the Leader of the Council, the Chief Executive and the Director of Commerce & Technology to sign the Statement on behalf of the Council.

BACKGROUND INFORMATION

The Council's Code of Corporate Governance
The Annual Statement of Assurance on Corporate Governance,
September 2005
CIPFA Finance Advisory Network: Statement on Internal Control:
A Rough Guide for Practitioners.

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