

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

1. INTRODUCTION

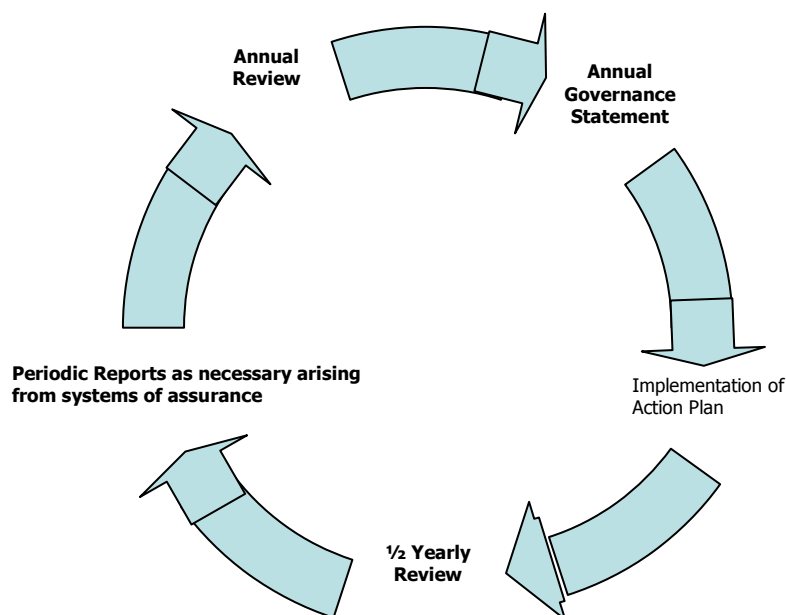
- 1.1 The purpose of this report is to seek the approval of the Panel to a Governance Statement on arrangements for the Council's corporate governance activities.

2. CODE OF GOVERNANCE

- 2.1 In its simplest form, Governance is ensuring that the Council is doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner.
- 2.2 In response to this, the Council has adopted a Code of Governance which sets out and describes the way in which it carries out its functions and complies with the principles of openness, integrity and accountability. These principles apply to elected Members and employees alike and they are reflected in the Council's working procedures and processes in the interests of establishing and maintaining public confidence in what we do as an organisation. The Code is consistent with the framework "Good Governance in Local Government" published by CIPFA/SOLACE, a copy of which is available at
or on request from the Head of Policy & Strategic Services.

3. ASSURANCE FRAMEWORK

- 3.1 To provide assurance that the Council is meeting the requirements of the Code and delivering good governance, the Panel had put in place an annual cycle of review which includes –
- adoption of a Governance Statement;
 - implementation of an action plan associated with the Governance Statement;
 - a half-yearly review of progress against the action plan;
 - continued reference to systems and reports providing assurance and support for good governance; and
 - an annual review of governance arrangements.
- 3.2 This cycle is designed to reflect good practice in delivering a framework of assurance for Members and employees in terms of governance arrangements and to help ensure accountability and transparency for local people and other stakeholders, such as the Council's external auditors and Government Inspectors. It is shown graphically in the diagram below.



3.3 During the last year the Panel has adopted a Governance Statement and associated action plan, undertaken a half-yearly review and received periodic reports as necessary arising from the systems of assurance.

4. ANNUAL REVIEW AND GOVERNANCE STATEMENT

4.1 In accordance with the local Code, the assurance framework and current good practice, each year the Council is required to carry out a review of governance arrangements. The purpose of the review is to conclude the cycle of review as embedded in the assurance framework to assess that governance arrangements are adequate and operating effectively or to identify action which is needed to ensure effective governance in the future.

4.2 The review comprises an analysis of the practical application 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. In addition, members of this Panel, together with the Executive Councillors with responsibility for financial and non-financial governance, have been given an informal opportunity to take part in and contribute towards that annual review.

4.3 In accordance with the assurance framework, the review is informed by internal reporting such as the Audit Manager's Annual Report and comments made by external auditors and/or other inspectorates. It incorporates an assessment of action taken to address issues identified in the last Governance Statement.

4.4 The outcome of the review takes the form of a new Governance Statement prepared on behalf of the Leader of the Council and the Chief Executive (Appendix A). It is expected that the Corporate Governance Panel should consider the Statement as part of their

responsibilities, which would then be expected to be counter-signed by the Chairman of the Panel.

- 4.5 The Governance Statement has been prepared in accordance with the statutory requirement of the Accounts & Audit Regulations which require the Council to "conduct a review at least once a year of the effectiveness of its system of internal control" and to prepare a statement on internal control "in accordance with proper practices". As such, the Statement is signed also by the Director of Commerce & Technology as the Council's Responsible Finance Officer, who is required to offer an opinion on the effectiveness of the systems of internal control.

5. CONCLUSIONS

- 5.1 The Governance Statement for 2008/09 reviews the Council's governance arrangements and their exercise during the preceding year. It details specific issues which were addressed and identifies other for future consideration. The Statement is an essential element in assuring proper governance practices in the conduct of the Council's business, in safeguarding the use of resources and in engendering confidence in the accountability and integrity of the Council on the part of local residents and other stakeholders.

6. RECOMMENDATION

- 6.1 The Panel is recommended to approve the Governance Statement for 2008/09 and to authorise the Chairman of the Panel to countersign it.

BACKGROUND INFORMATION

The Council's Code of Corporate Governance
The Governance Statement, September 2007
The CIPFA/SOLACE framework "Good Governance in Local Government 2007"
The CIPFA Finance Advisory Network Annual Governance Statement – Rough Guide

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