

**GOVERNANCE STATEMENT  
(Report by the Head of Law, Property & Governance)**

**1. INTRODUCTION**

- 1.1 The purpose of this report is to provide an opportunity for the Panel to review and endorse the Governance Statement on arrangements for the Council's corporate governance activities.

**2. CODE OF GOVERNANCE**

- 2.1 In its simplest form, Corporate 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. It relates to both financial and non-financial matters.

- 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 and a copy is available at <http://www.huntsdc.gov.uk/Councils+and+Democracy/Council/Code+of+Corporate+Governance.htm> or on request from the Policy & Strategic Services Manager.

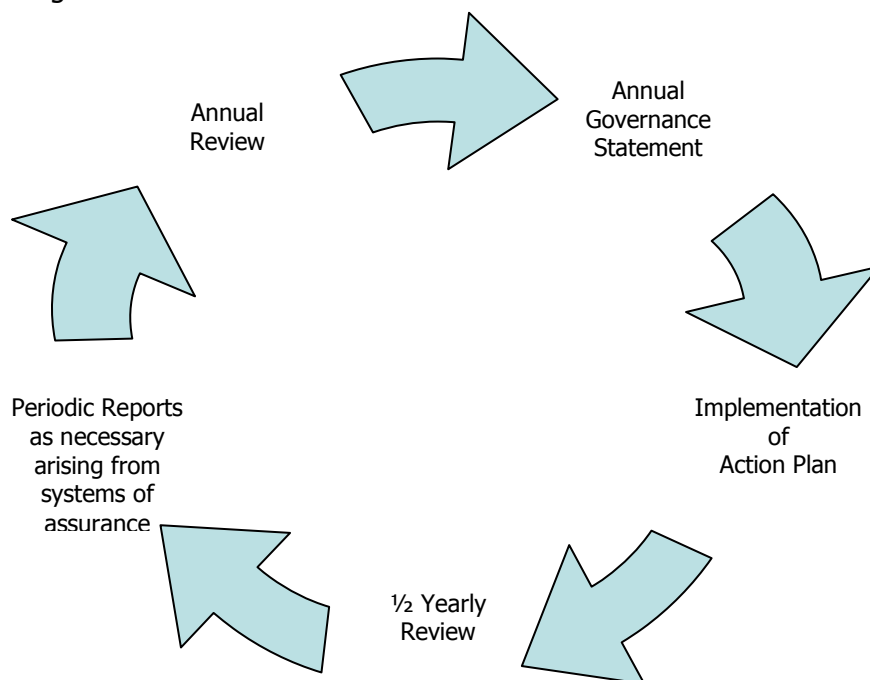
**3. ASSURANCE FRAMEWORK**

- 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 –

- review of the effectiveness of the system of internal audit (agreed by this Panel on the 25 March 2009 ).
- review and endorsement of a Governance Statement, appended.
- 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 reflects good practice in delivering a framework of assurance for Members and employees in terms of governance arrangements and helps to 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 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 carries out a review of governance arrangements. The purpose of the review is to conclude and re-start the cycle of review in accordance with the assurance framework – specifically to assess that governance arrangements are adequate and operating effectively and to identify action which is needed to ensure continuous improvement in effective governance.

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 managers responsible for the implementation of the Governance Code/framework (a full copy of the code is available upon request). In addition, the Chairman and Vice-Chairman of the Panel, together with the Executive Councillors with responsibility for financial and non-financial governance, (Councillors Rogers and Hansard) have been given an opportunity to take part in and contribute towards that annual review.

4.3 The review is informed by the Council improvement plan; relevant service managers; 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 Governance Statement prepared on behalf of the Leader of the Council and the Chief Executive (Appended). 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 Audit" and the findings from that review considered as part of the consideration of the systems of governance "in accordance with proper practices".

## **5. CONCLUSIONS**

- 5.1 The Governance Statement for 2009 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.
- 5.2 Following a review of the effectiveness of the system of internal audit, the system is considered to be satisfactory and there are no significant omissions in the processes that have been introduced

## **6. RECOMMENDATION**

- 6.1 The Panel is recommended to note the outcomes of governance arrangements; and
- 6.2 Endorse the Governance Statement for 2009 and to authorise the Chairman to countersign it.

## **BACKGROUND INFORMATION**

The Council's Code of Corporate Governance  
Review of the code, August 2009 – available from the Policy & Research Manager  
Council Improvement plan - available from the Policy & Research Manager  
System of Internal Audit  
The Governance Statement, September 2008  
The CIPFA/SOLACE framework "Good Governance in Local Government 2007"  
The CIPFA Finance Advisory Network Annual Governance Statement – Rough Guide

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