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## CODE OF CORPORATE GOVERNANCE

### 1 SUMMARY

- 1.1 The purpose of this report is to seek Member approval to the revised assessment of our compliance with the Local Code of Corporate Governance which is attached as an appendix to this report.

### 2 BACKGROUND

- 2.1 The Council adopted a Local Code of Corporate Governance at a meeting on 20 July 2002 (Minute 379/02 refers).
- 2.2 Following on from that decision officers carried out an assessment as to how the authority performed against the criteria set out in the Code.
- 2.3 The assessment carried out was endorsed by Members at a meeting of the Policy & Finance Committee held on 3 October 2002 (Minute 478/02 refers). Since then, the Code has been updated on an annual basis.

### 3 MONITORING AND MAINTENANCE OF THE CODE

- 3.1 The Code requires that its implementation and monitoring should be overseen by the Corporate Policy Manager. That officer is also required to review the Code on an annual basis and report to Committee.
- 3.2 The Audit & Process Review Manager is also required to review the Code and report annually to the Committee.
- 3.3 These provisions are contained in Sections 3.1 and 3.2 of the attached Code.
- 3.4 The annual review has now been undertaken and revisions have been incorporated into the Code. The Code complements the Statement on Internal Control (already reported to the June Audit Committee) and also takes into account issues arising from the Key Lines of Enquiry/Value for Money (KLOE/VFM) work carried out by our external auditors, PKF. The Audit & Process Review Manager has been consulted as part of this annual review process.

### 4 REVISED ASSESSMENT

- 4.1 The revised Code includes those improvement actions which will be undertaken during the coming year and continues to reflect the Comprehensive Performance Assessment Improvement Plan. In particular, it re-affirms the importance of making progress on the three previously identified areas of Community Focus, Risk Management/Business Continuity and Performance Management.

**5 FUTURE ARRANGEMENTS**

- 5.1 At the meeting of this Committee held on 4<sup>th</sup> July, it was reported that CIPFA were issuing revised guidance on Corporate Governance and that it was hoped that this would be finalised in time for this year's review. However, the new guidance is still in draft form and will not be issued until later in the year. This year's review has therefore been undertaken on the basis of existing guidance. The review in 2007 will be carried out in accordance with the revised guidance and reported to Committee in September 2007.

**6 RESOURCE IMPLICATIONS**

- 6.1 There is a use of officer resource in monitoring and re-assessing the Code. Conversely, rigorous corporate governance, coupled with good risk management, will minimise potential financial loss.

**7 RISK IMPLICATIONS**

- 7.1 The Code refers to identified risks to the Authority; it is therefore essential they be monitored to ensure improvement

**7 LEGAL IMPLICATIONS**

- 7.1 The production of the Code is not a legal requirement but is recommended good practice.

**8 RECOMMENDATION**

- 8.1 It is proposed that the Committee **RESOLVES**

That the annual assessment of the Council's Local Code of Corporate Governance be agreed.

Paul Warren

Chief Executive

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**Background Papers:-**

SOLACE/CIPFA Guidance

Statement of Internal Control

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