

Meeting: Audit Committee

Agenda Item: 9

Portfolio Area: Resources

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CORPORATE GOVERNANCE ARRANGEMENTS

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1. PURPOSE

To update Members of the Audit Committee on the progress made against actions set out in 2009/10 to enhance the Council's corporate governance arrangements and the impact on the Council's self assessment of corporate governance principles.

2. RECOMMENDATION

That Members note the progress made against the actions identified in 2009/10 to enhance the Council's corporate governance arrangements and the impact on the Council's self assessment of corporate governance principles as set out in the updated self assessment and action plan at Appendix A.

3. BACKGROUND

- 3.1 In August 2006, the Department for Communities and Local Government set out what they considered "proper practice" in relation to corporate governance in the publication, Delivering Good Governance in Local Government.
- 3.2 Council's needed to adopt a local Code of Corporate Governance that set out their commitment to corporate governance and a framework that would demonstrate appropriate implementation. 2007/08 was the first year of implementation. The Audit Committee approved the Council's local code and embraced the CIPFA/SOLACE Framework on 17 March 2008.
- 3.3 The CIPFA/SOLACE Framework focuses on the six key principles of corporate governance. The Framework sets out the actions authorities need to follow to achieve 'Good Governance' when applying six key principles. These actions include a review of existing governance arrangements against the CIPFA/SOLACE model Framework.
- 3.4 The CIPFA/SOLAACE six key principles of corporate governance are:

A clear definition of the authority's purpose and desired outcomes: focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

Well defined functions and responsibilities: Members and officers working together to achieve a common purpose with clearly defined functions and roles

An appropriate corporate culture: promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Transparent decision making: taking informed and transparent decisions which are subject to effective scrutiny and managing risk

A strong governance team: developing the capacity and capability of members and officers to be effective

Real accountability to stakeholders: engaging with local people and other stakeholders to ensure robust public accountability.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 The assurance process is the link between the strategic objectives and statutory requirements of the authority and how they will be delivered. It requires the identification of key controls that contribute to delivery.

4.2 The review of the corporate self assessment against the six principles was completed during February 2010 by officers with key governance responsibilities. This review assessed the position of the organisation as a whole against the six principles, applying a score between 1 and 10 against elements of each principle, with a score of 10 representing very best practice.

4.3 An improvement plan has been identified to enhance arrangements where necessary.

4.4 The updated self assessment and improvement plan is shown at appendix A.

4.5 The improvement in self-assessed scores is demonstrated in the table below:

Score achieved	2008/09	2009/10
6	8%	0%
7	32%	23%
8	21%	34%
9	38%	41%
10	0%	2%

4.6 Demonstrating compliance with the six principles provides evidence to support the Annual Governance Statement.

5. IMPLICATIONS

5.1 Financial Implications

There are no financial implications arising directly from this report.

5.2 Legal Implications

It is a requirement for the Council to publish an Annual Governance Statement as part of its Statement of Accounts. This is due to be reported to Audit Committee in June 2010 supported by service based governance assurance.

5.3 Risk Implications

Risk management supports robust governance arrangements by identifying potential risks associated with the achievement of corporate objectives and statutory objectives.

5.4 Other Corporate Implications

The corporate governance regime affects all aspects of the work of the Council as well as partners of the Council contributing to service delivery and other agencies with which the Council shares information. External bodies in particular need to have confidence in the way the Council operates and this can be achieved by demonstrating robust corporate governance arrangements that are fully embedded.

BACKGROUND DOCUMENTS

CIPFA/SOLACE, "Delivering Good Governance in Local Government"

APPENDICES

- Appendix A – Corporate self-assessment against the six principles and improvement plan