

PRINCIPAL SCRUTINY COMMITTEE

5 JUNE 2006

CABINET

21 JUNE 2006

CODE OF CORPORATE GOVERNANCE

REPORT OF DIRECTOR OF FINANCE

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RECENT REFERENCES:

PS186 Code of Corporate Governance, 11<sup>th</sup> July, 2005

EXECUTIVE SUMMARY:

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published a framework document for Corporate Governance in Local Government. The Council, being committed to the principles of good corporate governance, confirmed its ongoing commitment and intentions through the adoption of a Local Code of Corporate Governance.

This Code sets out and describes the Council's commitment to corporate governance, and identifies the arrangements that have been made to ensure its ongoing effective implementation and application in all aspects of the Council's work. The basic Code is unchanged from last year when Members approved it for the second time. Corporate Governance arrangements for the Council have been reviewed and an action plan compiled to deal with the issues arising from that review.

The Code incorporates the Statement on the System of Internal Control that will be signed by the Leader of the Council and the Chief Executive and that is included in the Statement of the Accounts for 2005/06. This Statement has not changed fundamentally from that for the previous year but has been updated following the corporate governance review to reflect matters identified.

There are no significant internal control issues. However, areas have been identified that, when implemented, will improve the overall efficiency and standard of governance. The principal areas are: to continue to develop risk management arrangements and performance management; and to consider actions to be taken following the Use of Resources assessment.

RECOMMENDATIONS:

That the Local Code of Corporate Governance be approved.

OTHER CONSIDERATIONS:

CORPORATE STRATEGY (RELEVANCE TO):

The Code supports all aspects of the Corporate Strategy.

RESOURCE IMPLICATIONS:

None directly.

BACKGROUND DOCUMENTS:

Corporate Governance in Local Government Guidance Note and Framework – CIPFA/SOLACE, 2001

APPENDICES:

Appendix A: Local Code of Corporate Governance

Appendix B: Internal Audit Report - Corporate Governance Review

Appendix C: Action Plan 2006/07

Appendix D: Statement of Internal Control

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