
Meeting: Audit Committee
Date: 4 April 2011
Subject: Code of Corporate Governance and Annual Governance Statement
Report of: Director of Customer and Shared Services
Summary: The report proposes the adoption of the Code of Corporate Governance and seeks the Committee's comments on the draft Annual Governance Statement.

Contact Officer: John Atkinson, Head of legal and Democratic Services
Public/Exempt: Public
Wards Affected: All
Function of: Audit Committee/Leader and Chief Executive

CORPORATE IMPLICATIONS

Council Priorities:

A sound system of corporate governance provides the framework and assurance within which the Council can deliver its priorities with confidence. The opening paragraph of the draft Code of Corporate Governance (Appendix A) describes corporate governance as the means by which the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

Financial:

The Annual Governance Statement will be included in the Council's Statement of Accounts for 2010/11, but this report has no financial implications.

Legal:

The Accounts and Audit Regulations 2003 require the Council to conduct an annual review of its systems of internal control. The preparation of an Annual Governance Statement forms part of that process.

Risk Management:

The Annual Governance Statement identifies significant governance issues and these have been identified by reference to the Council's strategic risk register.

Staffing (including Trades Unions):

There are none.

Equalities/Human Rights:

None arise directly from this report.

Community Safety:

There are none.

Sustainability:

There are none.

RECOMMENDATION(S):

1. **that the Audit Committee**
 - (a) **approves the Code of Corporate Governance.**
 - (b) **considers and comments on the draft Annual Governance Statement.**

Background

1. The Audit Committee's terms of reference include responsibility for approving the Code of Corporate Governance and for overseeing the production of the Council's Annual Governance Statement. Ultimately, the Annual Governance Statement is approved by the Leader and Chief Executive.

Code of Corporate Governance

2. The attached Code of Corporate Governance was prepared in draft last year but has not been formally adopted by the Council. It sets out the six core principles of Corporate Governance and describes how the Council will achieve these principles.

Annual Governance Statement for 2010/11

3. The Annual Governance Statement (AGS) adopts the same format as last year. In effect, this year's Statement is an updated version of the document that was adopted in 2009/10.
4. The Annual Governance Statement is intended to demonstrate how the Council has achieved the principles contained in the Code of Corporate Governance in the current financial year.
5. The Audit Committee is asked to consider whether the draft AGS accurately reflects the governance arrangements and the management of risk.

Conclusion and Next Steps

6. At this stage, the AGS remains a draft document. It will be subject to further review and amendment in the light of any comments made by the Audit Committee before it is submitted to the Leader and Chief Executive for formal adoption.

Appendices:

Appendix A – Code of Corporate Governance

Appendix B – Draft Annual Governance Statement

Background Papers: (open to public inspection)

None