

# REPORT TO COUNCIL

**REPORT OF:** Chief Executive

**REPORT NO.:** CEX396

**DATE:** 17 April 2008

<b>TITLE:</b>	Code of Corporate Governance and Draft Annual Statement	
<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	Corporate Governance, Councillor Linda Neal, Leader of the Council	
<b>CORPORATE PRIORITY:</b>	All	
<b>CRIME AND DISORDER IMPLICATIONS:</b>	None	
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	This report is available via the local democracy link on the council's website <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>INITIAL EQUALITY IMPACT ASSESSMENT</b>	Carried out and appended to report?  <b>Not Applicable</b>	Full impact assessment required?  <b>Yes/No</b>
<b>BACKGROUND PAPERS:</b>	Report CEX389 to Governance and Audit Committee	

## 1. INTRODUCTION

Under the new Audit Regulations the Leader and myself are required to sign an annual governance statement which is then approved by the Governance and Audit Committee under delegated powers. There is a very tight timescale for this as the signing of this statement is an intrinsic part of the closing of the accounts.

As part of these new arrangements Local Authorities are encouraged to prepare and maintain a local code of corporate governance. The Audit and Governance Committee have prepared such a code and consulted the public on it.

The purpose of this report is to formally adopt the local code of governance and to seek views from the Council on the draft content of the annual statement. Unfortunately it is not possible to present the full annual statement as it cannot be finalised until the accounts for 2007/08 are ready to be presented to the Governance and Audit Committee.

## **2. RECOMMENDATIONS**

- a) That the Council approve the local code of governance as enclosed as Appendix A to this report.
- b) That the Council notes, and makes any recommendations on, the content of the draft Annual Governance statement enclosed as Appendix B.

## **3. DETAILS OF REPORT**

### **The Code of Governance (Appendix A)**

In preparing the Draft Code, cognisance of the CIPFA/SOLACE framework has been taken, which has been developed as a result of the Langlands Commission 2004.

The framework sets out 6 principles of Corporate Governance which have been reflected within our draft Code however I have adopted the specific commitments under each principle to reflect the circumstances of the Council.

The contents of this code are largely self-explanatory. It has been subject to public consultation via the Council's web-site.

Compliance with the code will be monitored by the Governance and Audit Committee through the preparation of an action plan. The code will be an evolving document and changes can be made to reflect new governance concerns.

### **The annual statement (Appendix B)**

The annual statement replaces the previous responsibility to prepare a statement of internal control. A considerable proportion of the content is prescribed and explains the arrangements within the Council for the discharge of our Corporate responsibilities. The remaining parts of the statements are a judgement endorsed by the Leader and myself identifying the significant governance issues facing the Council. In view of the nature of this statutory responsibility it seemed appropriate to bring the draft statement to Council for their comments.

## **4. COMMENTS OF SECTION 151 OFFICER**

Governance arrangements are vitally important to all tax payers and residents. Good governance is important to all involved in local government. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for residents and service users.

I have been consulted throughout the process of preparing our action plan and Code of Governance and believe that they will provide a framework to promote the principles of good governance. The Audit and Governance Committee, being

those charged with Governance, will need to review the Council's progress against the delivery of the action plan on an ongoing basis and report any material issues to Council

## **5. COMMENTS OF MONITORING OFFICER**

The Monitoring Officer has been consulted throughout the process of producing the action plan and code. Such a code is essential to ensure the principles of good governance are recognised and followed.

Comprehensive Performance Assessment will require the promotion and maintenance of high ethical standards. The introduction of the Code of Corporate Governance will assist with that.

The draft Code has been developed in accordance with guidance issued by CIPFA and SOLACE on the delivery of good governance in Local Government.

## **6. CONCLUSION/SUMMARY**

The Code is now presented to Council for approval and the statement for consultation.

## **7. CONTACT OFFICER**

Duncan Kerr  
Chief Executive