



Report to: Audit Sub Committee

Subject: Corporate Governance Arrangements at Gedling Borough Council

Date: 26th June 2007

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1. PURPOSE OF REPORT

To update members on the Corporate Governance arrangements at Gedling Borough Council.

To appraise and confirm to members, the adequacy and effectiveness of Internal Control arrangements and procedures at Gedling.

2. BACKGROUND

In January 2003 the Authority initiated a process of documenting its Corporate Governance processes in line with the CIPFA/SOLACE Framework guidance. This process demonstrates how Gedling complies with the underlying principals of good governance, which are:

- Openness and Inclusivity.
- Integrity.
- Accountability.

The Corporate Governance Framework for Gedling is based on five core categories, which reflect the business areas to which governance standards are applied. These areas are:

- Community Focus.
- Service Delivery Arrangements.
- Standards of Conduct.
- Structures and Processes.
- Risk Management and Internal Control.

Following its introduction the Corporate Governance Framework has been reviewed and updated annually and reported to members. The Framework provides a key feed into the annual Statement on Internal Control (SIC).

3. GOVERNANCE AND ASSURANCE 2006-07

Governance

The Authority's Corporate Governance Framework for 2006-07 has been reviewed and is provided in **Appendix A**. This document is a collection of statements of accountability and confirms that actions have been fulfilled by Officers. Members of the Audit Sub-Committee will review these statements at their next meeting.

There is a requirement by the Audit Commission for the Authority to be able to demonstrate Good Corporate Governance to comply with best professional practice. By undertaking this review and reporting the findings in this way the authority reduces the need for a full audit review by the Audit Commission.

Risk

As part of the Corporate Governance Review the Authority also reviews its Strategic Risk Register. The results of the Strategic Risk review are given in **Appendix B**.

During 2005-06 the departments developed their Operational Risk Registers. These are monitored on an ongoing basis by the respective departments, and a formal review is undertaken annually to inform the budget process. In addition Departments carry out quarterly risk reviews, the results of which are reported to the Audit Sub-Committee.

During 2006-07 the Risk Management Strategy has been reviewed and updated, building upon the Authority's existing strategy. The key enhancements include the introduction of a standard approach (common language) to risk terminology, the formalisation of reporting procedures and the introduction of Key Performance Indicators to measure how effectively risks are being managed and the extent to which risk management procedures are embedded across the Authority.

Assurance

For the Statement of Accounts the Authority is required to produce a Statement on Internal Control. This was achieved through assurances from the Heads of Service, Heads of Unit and Deputy Chief Executive in respect of their specific responsibilities within the Authority's Financial Regulations. In addition to this the Monitoring Officer, Chief Financial Officer (s151) and the Chief Executive have also provided statements, which specifically relate to their area of responsibility.

All of the assurance statements have been collated and together with the Internal Audit work undertaken during the year, enable the Manager of Resource Services to provide an assurance statement in support of the Statement on Internal Control. This statement is provided in **Appendix C**.

The Assurance Statement is a key document in providing assurance and supporting evidence to the Chief Executive and Leader of the Council to enable them to sign the Statement on Internal Control, which is required as part of the final accounts publication.

4. RECOMMENDATIONS

Members are requested to note the work undertaken in relation to Corporate Governance, Risk and the Assurance Statement.

Members are also requested to note that points raised in the Assurance Statements will feed into the Statement on Internal Control and forms part of the Published Statement of Accounts.