



Report to: Cabinet

Subject: Corporate Governance Arrangements at Gedling Borough Council

Date: 11th July 2005

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1. PURPOSE OF REPORT

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

To apprise members of the level of Internal Control at Gedling and to confirm to members of Cabinet that the Manager of Resource Services considers that controls are in the main operating satisfactory.

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 built on five dimensions, which reflect the business areas to which governance standards can be applied. These areas are:

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

Since being initiated the Corporate Governance Framework has been reviewed and updated annually and reported to members.

3. GOVERNANCE AND ASSURANCE 2004/05

Governance

The Authority's Corporate Governance Framework for 2004/05 has been reviewed and is given in **Appendix A**. This document is a collection of statements of accountability and confirms that actions have been fulfilled by officers, and members through the review by Audit Sub-Committee on 9th June 2005.

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**.

The Risk Management Process has been developed and incorporates input from the Risk Management Group, Corporate Health & Safety Group and Corporate and Departmental Risk assessments.

During 2004 the departments also developed their Operational Risk Registers, the departments on an ongoing basis monitor these and a formal review is undertaken annually to inform the budget process.

Assurance

For the Statement of Accounts 2003/04 the Authority was required for the first time to produce a Statement on Internal Control. This was achieved through assurances from the Heads of Service, Heads of Unit and Manager of Resource Services.

For the 2004/05 Statement the process of assurance has been developed further to include assurance in specific relationship with the responsibilities within the Authority's Financial Regulations. Heads of Service, Heads of Unit and the Deputy Chief Executive have provided these assurances. 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 assurance statement is given as **Appendix C**.

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

4. RECOMMENDATIONS

Members are requested to note to work undertaken in relation to Corporate Governance, Risk and the Assurance Statement by the Manager of Resource Services.

Members are also requested to note the points raised in the Assurance Statement from the Manager of Resource Services, which will feed into the Statement on Internal Control and forms part of the Published Statement of Accounts.