

STANDARDS COMMITTEE
18 MARCH 2009

FINAL ACCOUNTS AND AUDIT COMMITTEE
25 MARCH 2009

IMPLEMENTATION EXECUTIVE
7 APRIL 2009

**CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE
STATEMENT**

Purpose of Report

1. This report brings the Committee's attention to the requirement for a Code of Corporate Governance, proposes a Code of Corporate Governance for Wiltshire Council, and proposes an Assurance Framework by means of which the Code of Corporate Governance can be linked to the Annual Governance Statement and the Use of Resources element of the Comprehensive Area Assessment and performance can be evidenced and monitored.

Background

2. Local authorities are required to adopt a Code of Corporate Governance. They are also required to produce an Annual Governance Statement, which replaces the Statement of Internal Control.
3. In order to progress this work a steering group of key officers with responsibility for a range of assurance activities has been established. The steering group consists of:
 - a. The Legal and Democratic Services Director
 - b. The Head of Internal Audit
 - c. The Corporate Risk Manager
 - d. The Personal Assistant to the Chief Executive
 - e. The Head of Governance
 - f. The Head of Financial Planning

Main Considerations

4. The Code of Corporate Governance underpins good governance by providing a framework for ensuring sound decision making supported by effective processes. A draft of Wiltshire Council's Code, prepared by the Assurance Steering Group, is attached at Appendix 1. It is based on the CIPFA/SOLACE framework document "Delivering Good Governance in Local Government".

5. It is proposed that the Code of Corporate Governance be adopted as a protocol to Wiltshire Council's Constitution. It has been kept relatively short in order to make it easily comprehensible. Officers propose that it should be accompanied by a regularly updated Assurance Framework document which contains, under a series of broad headings drawn from the "Delivering Good Governance in Local Government" document and from the Comprehensive Area Assessment Use of Resources key lines of enquiry, sources of evidence and tests to monitor and evidence good governance in the authority. An example of this working document appears at Appendix 2.
6. It is proposed that the Assurance Framework document be regularly reviewed at the Assurance Steering Group's monthly meetings in order to keep it up to date, identify and include areas of local concern for monitoring and implementation, and to ensure that it is a document that informs action.
7. The inclusion of CAA Use of Resources KLOEs in the Assurance Framework and arrangements for regular monitoring and action against the framework will assist not only in informing the CAA assessment process, but also in the preparation of the Annual Governance Statement.
8. Linking the Code of Corporate Governance to an Assurance Framework and to the preparation of the Annual Governance Statement in this way will assist with compliance with the Audit Commission's requirements that local authorities should:
 - a. develop and maintain an up-to-date local code of governance, including arrangements for ensuring its ongoing application and effectiveness; and
 - b. prepare a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.

Environmental Impact of the Proposal

9. None

Risk Assessment

10. None

Financial Implications

11. None

Proposal

12. That the Committee approves the draft Code of Corporate Governance.
13. That the Committee approves the proposal to adopt an Assurance Framework to accompany and inform the Code of Corporate Governance and to inform CAA assessment on the Use of Resources and the Annual Governance Statement.

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The following unpublished documents have been relied on in the preparation of this Report:

None

Appendices

Appendix 1 – Draft Code of Corporate Governance
Appendix 2 – Assurance Framework working document