

Subject: Delivering Good Governance in
Local Government

Status: For Publication

The Revised Governance Statement for Local
Authorities

Report to: Standards Committee

Date: 9th October 2007

Report of: Executive Director of Regulatory Services

Portfolio

Holder: Well Managed Council

Key Decision: No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

1.1 To inform the Committee of the revised Governance Statement for Local Authorities.

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.

- Delivering Quality Services to Customers (Customers, Improvement)
- Well Managed Council (Improvement, Community Network)

3. RISK ASSESSMENT IMPLICATIONS

3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Risk of inefficient services to customers
- Lack of confidence in the Council and its Members
- Poor publicity

4. BACKGROUND AND OPTIONS

- 4.1 This revised Statement was published in June 2007 and replaces the former CIPFA/SOLACE Framework on which the Council's local code of corporate governance is based.
- 4.2 The revised Statement has statutory application in relation to meeting the requirements of Regulation 4 (2) of the Accounts and Audit Regulations for financial years starting on or after 1st April 2007. This means that the Statement on Internal Control will be replaced by a broadly similar Governance Statement. The process for producing and supporting the Statement will need to be similar but because of the changes the audit review may be more rigorous.
- 4.3 While the new statement is broadly similar to its predecessor, there are considerable differences and changes of emphasis at the detailed level. Given the work done in relation to recent inspections non compliance is likely to be limited to issues around demonstrating either compliance, embeddedness or that arrangements (for example on declarations of interest) are continually emphasised to Members and staff.
- 4.4 There are specific changes in the guidance in relation to the membership and independence of Audit Committees and their relationship with scrutiny. These require further analysis and discussions with the political leadership. However, they are likely to require some constitutional changes which could be relatively wide ranging depending how the new requirements are addressed.
- 4.5 The proposed course of action is for:
- The Executive Director of Regulatory Services and the Executive Director of Resources to produce before 1 November 2007, for discussion with Officers, an initial assessment of the local position against the revised code.
 - The Executive Director of Regulatory Services, the Executive Director of Resources and the Committee and Member Services Manager to draft proposals before 1 January 2008 relating to the required changes to Audit Committees after consulting the political leadership.
- 4.6 No other options were considered as this is a statutory requirement.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

- 5.1 The new statement will be a key document in evidencing amongst other things the Councils governance and controls framework. It is important that the Council is able to deliver a robust governance statement and to demonstrate progress on previous Statements of Internal Control.

6. COMMENTS OF THE EXECUTIVE DIRECTOR OF REGULATORY SERVICES

6.1 The revised Governance Statement is an important feature in the ethical framework of the Council.

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

7.1 There are no Human Resource implications arising from this report.

8. CONCLUSION

8.1 Progress must be made to introduce the revised Governance Statement.

9. RECOMMENDATION

9.1 That the proposed course of action, as set out in paragraph 4.5 of the report, is approved.

10. CONSULTATION CARRIED OUT

10.1 Executive Director of Resource and the Head of Finance.

11. EQUALITY IMPACT ASSESSMENT

Is an Equality Impact Assessment required No

Is an Equality Impact Assessment attached No

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Background Papers	
Document	Place of Inspection
The Revised Local Governance Statement for Local Authorities	Room 218, Futures Park, Bacup