

Forest Heath District Council

**PERFORMANCE AND
AUDIT SCRUTINY
COMMITTEE**

25 SEPTEMBER 2014

PAS14/048

(This report is not a key decision. This report has been subject to appropriate notice of publication under the Council's Access to Information Rules)

Report of the Cabinet Member for Resources, Governance and Performance

WEST SUFFOLK LOCAL CODE OF CORPORATE GOVERNANCE / ANNUAL GOVERNANCE STATEMENT 2013-2014

1. Summary and reasons for recommendation

- 1.1 It is good practice to review arrangements from time to time and as such a review of the Local Code of Corporate Governance has been undertaken to ensure it continues to reflect best practice, legislation and shared services arrangements. The revised West Suffolk Local Code of Corporate Governance is set out in **Appendix A** to this report.
- 1.2 The Annual Governance Statement provides stakeholders with assurance that the council has operated within the law and that the council has met the requirements of the Accounts and Audit Regulations 2011. A copy of the Annual Governance Statement for 2013/14 is attached to this report, at **Appendix B**. This year, the document is presented as a joint statement for St Edmundsbury Borough Council and Forest Heath District Council to reflect both councils working together and sharing services across West Suffolk.

2. Recommendation

- 2.1 That the Committee **recommend** to Council that the West Suffolk Local Code of Corporate Governance be adopted.
- 2.2 The Committee is recommended to **approve** the Annual Governance Statement 2013/14 for signing by the Chief Executive and Leader.

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3. How will the recommendations help us meet our strategic priorities?

- 3.1 Proper governance arrangements in place provide a suitable framework when seeking to achieve the key priorities of the West Suffolk Strategic Plan.

4. Key issues

- 4.1 Forest Heath District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 4.2 In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

Local Code of Corporate Governance

- 4.3 A Local Code of Corporate Governance sets out the principles on how the local government body ensures compliance with statutory requirements and best practice guidance on corporate governance. Whilst the adoption of a Local Code of Corporate Governance is not a statutory requirement it represents best practice and is a key element of a council's overarching governance arrangements and its commitment to good corporate governance.
- 4.4 The Local Code of Corporate Governance is subject to annual review to ensure it remains up to date. Minor adjustments have been made to the document, at **Appendix A** to reflect it is now a joint West Suffolk Local Code of Corporate Governance between St Edmundsbury Borough Council and Forest Heath District Council.

Annual Governance Statement

- 4.5 The Annual Governance Statement provides stakeholders with assurance that the council has operated within the law and that the council has met the requirements of the Accounts and Audit Regulations 2011. The Annual Governance Statement accompanies the Statement of Accounts.
- 4.6 A copy of the Annual Governance Statement for 2013/14 is attached to this report, at **Appendix B**. This year, the Annual Governance Statement prepared by a Joint Governance Group is presented as a joint statement for St Edmundsbury Borough Council and Forest Heath District Council to reflect both councils working together and sharing services across West Suffolk.
- 4.7 A key function of the Performance and Audit Scrutiny Committee is to review and approve the Annual Governance Statement prior to it being signed off by the Chief Executive and Leaders of the councils.

5. Other options considered

- 5.1 The requirement to produce an Annual Governance Statement is set down in regulation, and it is good practice to have a Local Code.

6. Community impact

6.1 Crime and disorder impact *(including Section 17 of the Crime and Disorder Act 1998)*

6.1.1 None arising directly from this report.

6.2 Diversity and equality impact *(including the findings of the Equality Impact Assessment)*

6.2.1 None arising directly from this report.

6.3 Sustainability impact *(including completing a Sustainability Impact Assessment)*

6.3.1 None arising directly from this report.

6.4 Other impact *(any other impacts affecting this report)*

6.4.1 None arising directly from this report.

7. Consultation *(what consultation has been undertaken, and what were the outcomes?)*

7.1 Consultations have taken place through the Joint Governance Group and Joint Leadership Team.

8. Financial and resource implications *(including asset management implications)*

8.1 The Annual Governance Statement accompanies the Statement of Accounts for 2013/14, although this report has no direct resource implications.

9. Risk/opportunity assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

Risk area	Inherent level of risk <i>(before controls)</i>	Controls	Residual risk <i>(after controls)</i>
Failure to regularly monitor and improve the council's governance arrangements could weaken corporate governance, impacting on service delivery.	Medium	The statement is fully supported by relevant documentation and evidence. An action plan to address areas of improvement is introduced.	Low

10. Legal and policy implications

10.1 The Accounts and Audit (Amendment) (England) Regulations 2011 require the council to prepare and publish an Annual Governance Statement.

11. Ward(s) affected

11.1 All Wards.

12. Background papers

12.1 CIPFA Guidance on Annual Governance Statements

13. Documents attached

Appendix A – West Suffolk Local Code of Corporate Governance

Appendix B – Annual Governance Statement