



**Reigate & Banstead**  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate

<b>REPORT OF:</b>	CORPORATE MANAGEMENT TEAM
<b>AUTHOR:</b>	MARGARET QUINE/GRAHAM FRIDAY/ANN CORONEL
<b>TELEPHONE:</b>	01737 276023/6556/6058
<b>E-MAIL:</b>	margaret.quine@reigate-banstaed.gov.uk
<b>TO:</b>	STANDARDS COMMITTEE
<b>DATE:</b>	3 NOVEMBER 2008

<b>AGENDA ITEM NO:</b>	5	<b>WARD(S) AFFECTED:</b>	ALL
<b>SUBJECT:</b>	CODE OF CORPORATE GOVERNANCE		
<b>RECOMMENDATIONS:</b>			
1. The Committee is requested to note the annual review of compliance with the Code of Corporate Governance and the associated Action Plan.			
<b>SUMMARY</b>			
The Executive approved the Code of Corporate Governance at its meeting on 25 September 2008 and requested that the review of the Code and the related action plan be considered by the Overview and Scrutiny and the Standards Committees for their comments.			

### STATUTORY POWERS

1. The preparation of the annual governance statement is necessary to meet the requirements set out in Regulation 4(2) of the Accounts and Audit regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 and the Statement should comply with the CIPFA/SOLACE guidance on the form on content of the statement.

### GOOD GOVERNANCE IN LOCAL GOVERNMENT

2. The Executive on 25 September 2008 considered the attached report on the Code of Corporate Governance.
3. The attached report provides more information on the background to the Code of Corporate Governance, which was considered, by the Overview and Scrutiny Committee in April 2008 under the Policy Framework Rules.
4. The Committee will recall that all Councils operate a governance framework that brings together an underlying set of legislative requirements, governance principles and management processes. A Framework has been developed for good governance by CIPFA/SOLACE and is recommended to local authorities as a tool to review their governance arrangements against a number of key principles and report annually on their effectiveness in practice. This guidance is now enshrined in the revised Use of Resources assessment, which forms part of the new Comprehensive Area Assessment regime.
5. The Framework is based on six core principles of good governance and comprises best practice objectives intended to provide the basis for each Council to develop

and maintain a local code of governance reflecting its size, functions and nature and to monitor its effectiveness.

### **Annual Report**

6. Authorities are expected to undertake regular, at least annual, reviews of their governance arrangements to ensure continuing compliance with the best practice set out in the Framework.
7. To assist with this the Executive received a review document (Annex 2 of their report) and agreed that this should be considered by the Overview and Scrutiny and Standards Committees and externally with the published accounts to provide an assurance that:
  - governance arrangements are adequate and operating effectively in practice
  - where the review of governance arrangements have revealed gaps, action is planned that will ensure effective governance in future.
8. The action plan (Annex 3 of the Executive's report) identifies the need for an annual report and this will form the basis for reviewing compliance in the future. In future, the annual report will be considered by both the Standards and Overview & Scrutiny Committees, before coming to the Executive for consideration.

### **LEGAL IMPLICATIONS**

9. There are no specific legal issues to report.

### **FINANCIAL IMPLICATIONS**

10. There are no specific financial implications issues to report.

Background Papers: Executive Agenda/Minutes 25 September 2008