

**COPELAND BOROUGH COUNCIL - AUDIT SERVICES REPORT****CODE OF CORPORATE GOVERNANCE COMPLIANCE IN 2004/05****A MANAGEMENT SUMMARY****1.0 INTRODUCTION**

- 1.1 The Code of Corporate Governance was approved by the Executive on 29 October 2002. The Code details the Council's governance arrangements. The Statement of Assurance assigns responsibility to the Monitoring Officer and the General Manager for overseeing the implementation and monitoring the operation of the code; reviewing the operation of the code in practice and reporting annually to the Executive on compliance with the code and any changes that may be necessary to maintain it and ensure its effectiveness in practice. In addition, internal audit was given the responsibility to review independently and report to the Executive annually, to provide assurance on the adequacy and effectiveness of the code and the extent of compliance with it. The external auditor has recommended that this report should be made to Full Council.
- 1.2 The scope of the audit covered monitoring compliance with the Code and monitoring the progress of outstanding elements of the Code.

**2.0 KEY FINDINGS**

- 2.1 Detailed comments are given in Appendix A, which shows the full Code of Corporate Governance and how this is being applied.
- 2.2 The Council's Code of Corporate Governance is in line with the Framework for Corporate Governance in Local Government Guidance Note, issued by CIPFA and SOLACE, and follows best practice. We found that the Code was generally effective and being complied with.
- 2.3 A number of items had been progressed since the previous year. These included: -
- Updating the Publication Scheme arising from the Freedom of Information Act
  - Implementation of the Community Strategy
  - Updating the format of performance reports to Members
  - Implementing the improvement plans following the CPA and Best Value inspections
  - Implementing the new Members Allowances Scheme
  - carrying out a Members training and development programme
  - compilation of Operational Risk Registers
  - development of the Communications Strategy
  - revision of Contract Standing Orders
  - drafting a revised Procurement Strategy and action plan

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2.4 However, there were a number of outstanding items to be progressed. The main issues related to: -

- The adoption of Customer Service Standards
- Linking performance to budgets within Service Plans and Performance Monitoring reports
- The adoption of the Protocol re working arrangements between Members and officers [approved as part of amendments to the Constitution in April 2005]
- Undertaking a programme of service reviews
- Updating the Employee Code of Conduct
- Adopting protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole Council are acknowledged and resolved
- Reviewing and updating the strategic risk register quarterly and including details of action taken and progress being made to address risks
- Formalizing the manner in which the Council considers external risks arising at other bodies that could be applicable to this Council
- Reviewing Financial Regulations
- Carrying out independent spot checks to validate performance data submitted in bi-monthly performance reports

2.5 These outstanding issues have been included in the Action Plan at Appendix B.

2.6 We also reviewed the Code of Corporate Governance in line with the Good Governance Standard for Public Services, published in January 2005. We found that the new Standard places much more emphasis on the role of Members than is the case with the Council's existing Code. We have, therefore, included an additional recommendation in the Action Plan that the existing Code of Corporate Governance should be revised in line with the Good Governance Standard for Public Services.

### 3.0 **CONCLUSION**

3.1 Overall the Code of Corporate Governance arrangements are satisfactory and being complied with.

3.2 Progress has been made in developing and updating the arrangements, despite the delay in approving and implementing the organisational restructure, and an action plan has been drawn up to address the outstanding issues.

Marilyn Robinson  
Audit Services Manager

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