

**Cheltenham Borough Council**  
**Standards Committee - 7th March 2008**  
**Code of corporate governance**  
**Report of the Assistant Chief Executive**

**1. Executive Summary and recommendation**

**1.1 The issue**

**1.1.1** As previously mentioned to this committee the requirement to produce a separate statement of internal control and annual review of the code of corporate governance (which was approved in 2003) has been updated and there is now a statutory requirement to produce an annual governance statement. SOLACE and CIPFA have updated their previous guidance and requirements for what should be included within the code of governance. The audit committee have considered a draft code and are consulting with the standards committee, the staff and support services committee, senior managers and the unions. The assistant chief executive in consultation with the chair of the audit committee and members of the corporate governance working group will consider the feedback and amend the code accordingly before it is presented to council on 17 March 2008.

**1.2 I therefore recommend that:**

**1.2.1 The committee consider the draft code of corporate governance and recommend any changes to the draft.**

**1.3 Summary of implications**

**1.3.1 Financial**

The annual governance statement which forms part of the statutory accounts will be based on the code of corporate governance which subject to approval will be adopted by council in March

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**1.3.2 Legal**

None arising from this report

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**1.4 Implications on corporate and community plan priorities**

**1.4.1** Corporate governance is an integral part of helping to achieve the council's ambition of being an excellent council

## **2. Introduction**

- 2.1** As members will recall the requirement to produce a separate statement of internal control and annual review of the code of corporate governance (which was approved in 2003) has been updated and there is now a statutory requirement to produce an annual governance statement. SOLACE and CIPFA have updated their previous guidance and requirements for what should be included within the code of governance.

## **3. Background**

- 3.1** A working group from the audit committee was established along with member representation from the standards committee and the staff and support services committee. The working group considered the guidance which had been issued by SOLACE/CIPFA and its applicability to the council. The working group also considered the format of the code and what should be included within it.
- 3.2** Attached at appendix A is a draft code of corporate governance. This is a first draft and is being used as a basis for consultation ahead of the code being formally adopted by council in March. The code will be used to inform the annual governance statement which replaces the current statement on internal control. This will include an action plan on where the council needs to make improvements to meet the statutory guidance on corporate governance arrangements.

## **4. Consultation**

- 4.1** A working group of members was established and the draft code has also been considered by the officer group charged with corporate governance. The draft is being used for the basis of consultation with the standards committee, staff and support services committee, unions and senior managers.

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### **Background Papers**

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<b>Accountability</b>	Councillor David Hall, Cabinet member finance
<b>Scrutiny Function</b>	Economy and business improvement