

CORPORATE AFFAIRS COMMITTEE

A meeting of the Corporate Affairs Committee was held on 28 May 2008.

PRESENT: Councillor Clark (Chair), Councillors Brunton, McPartland and Rehman.

OFFICIALS: B Baldalm, J Bennington, C Davies, R G Long and P Slocombe.

**** PRESENT AS AN OBSERVER:** Councillor Jones.

**** APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Elder and Mrs H Pearson.

**** DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item / Nature of Interest
Councillor Brunton	Personal/Non Prejudicial	Any matters relating to Dial a Ride- a Member.

**** MINUTES**

The minutes of the meeting of the Corporate Affairs Committee held on 16 April 2008 were taken as read and approved as a correct record.

ANNUAL GOVERNANCE STATEMENT 2007/2008

The Deputy Director of Resources presented a report on the Annual Governance Statement (AGS) 2007/2008. A flowchart, which set out the framework for the AGS, was circulated at the meeting for Members' information.

Members were reminded that as part of the annual accounts process the Council was required to review its system of internal controls and to publish a statement of that review known as the Statement on Internal Control (SIC). From 2007/2008 onwards, the scope of the review had been extended to include the Council's wider governance arrangements as well as its internal controls. The Council was now required to publish an AGS with a wider scope than the SIC.

In accordance with CIPFA guidance reference was made to six principles that underpinned the governance arrangements of the Council as follows: -

- focusing on the purpose of the authority, outcomes for the community and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capability of members and officers to be effective;
- engaging with local people and other stakeholders to ensure robust public accountability.

Subsequent to the Council's approval of the Code of Governance in January 2004 the Code had been reviewed and updated to incorporate the Corporate Governance framework.

Whilst there was no statutory timetable for approval of the AGS there was a requirement for it to be published with the financial statements for which there was a statutory deadline by 30th June each year. The full AGS was provided at Appendix A of the report submitted.

In accordance with the new framework the Council was required to undertake regular reviews of their governance arrangements to ensure continuing compliance with best practice. The Council had established a Corporate Governance Team who was responsible for managing the process by which the annual review of corporate governance was conducted. The AGS had been compiled following a review by the governance team of the effectiveness of the Council's systems of internal control and governance arrangements.

In accordance with the Statement of Recommended Practices (SORP) 2006 in terms of the compilation of accounts the scope of the annual governance review had been extended to cover relationships with organisations where the control/involvement by the Council was significant. Organisations identified under such arrangements included:

- a) Dial a Ride Middlesbrough
- b) CADCAM
- c) Hustler Playing Fields Trust
- d) West Middlesbrough Neighbourhood Trust.

Members were advised that all of the organisations had also completed a service assurance statement for 2007/08 and that none of them had identified any issues, which needed to be separately reported in the AGS.

Reference was made to a review of the Council's partnership arrangements, which had been undertaken using the partnership matrix provided in the framework guidance.

The key partnerships identified for Middlesbrough Council were reported as follows: -

- Mouchel – Service Middlesbrough
- Local Strategic Partnership (LSP)
- Stockton/Middlesbrough Regeneration
- Children's Trust
- Bus Partnership & Tees Valley Bus Network
- Groundwork South Tees
- Middlesbrough Environmental City
- Tees Community Equipment Service
- Middlehaven Regeneration Project
- Tees Valley Unlimited (TVU).

Although the assurance arrangements were robust for the majority of all of the partnerships reviewed it was confirmed that there was scope to improve the supporting documentation, formalise agreements and extend the monitoring of outcomes.

The report identified a number of other developments implemented by the Council which were designed to ensure improvements in risk management, performance, financial management and governance.

Members were also advised of the contribution by the Standards Committee with regard to the improvement of the control environment within the Council. It was confirmed that the Standards Committee at its meeting held on 27 May 2008 had agreed the Code of Corporate Governance.

Members' attention was drawn to the section under Significant Internal Control Issues which had been raised in the 2006/2007 statement and the actions taken during 2007/2008 to address them in respect of the following: -

- a) Works employment schemes with regard to the process and procedures being followed;

- b) weaknesses in the monitoring on Surestart grant funded in terms of insufficient record keeping.

Reference was also made to the following areas of concern which had arisen during 2007/2008 which had been highlighted along with action plans to address them in respect of:

- i) Town Centre Heritage Initiatives – Historic Lottery Fund in terms of process and procedures;
- ii) Partnership Assurance Arrangements – whilst all significant partnerships had robust governance arrangements there were some smaller, older partnerships which needed to be improved.

It was confirmed that the AGS had been considered by the Audit Committee at its meeting held on 27 May 2008 when it had been agreed that the list of organisations identified in respect of Partnership arrangements outlined in the report should include Erimus Housing.

In commenting on the review of the Partnership arrangements it was noted that this was the subject of a further report for Members' future consideration. Members suggested that this and the extent of the Council's role in respect of certain outside bodies could be the subject of a future scrutiny investigation.

ORDERED as follows: -

1. That the Annual Governance Statement 2007/2008 be approved.
2. That the reported internal control issues' section within the Annual Governance Statement as outlined be noted.