

## **ANNUAL GOVERNANCE STATEMENT 2018/19: OUTLINE**

### **Scope of Responsibility**

1. The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK. It aims to contribute to a flourishing society, support a thriving economy and support outstanding environments. Its unique franchise arrangements support the achievement of these aims.
2. Although this statement has been prepared to reflect the City of London Corporation in its capacity as a local authority and police authority, the governance arrangements are applied equally to its other funds – City’s Cash and Bridge House Estates.
3. The City of London Corporation (“the City”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively; and that arrangements are made to secure continuous improvement in the way its functions are operated.
4. In discharging this overall responsibility, the City is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
5. The City has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on the City’s website at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk). This statement explains how the City has complied with the code and also meets the requirements of regulation 6(1) of the Accounts and Audit (England) Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.

### **The Purpose of the Governance Framework**

6. The governance framework comprises the systems and processes by which the City is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the City to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
7. The system of internal control is a significant part of that framework and is designed to manage all risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable rather than absolute assurance of effectiveness. The City’s system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the City’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
8. The governance framework has been in place at the City for the year ended 31 March 2018 and up to the date of approval of the statement of accounts.

### **Key Elements of the Governance Framework**

Code of Corporate Governance

Standards Committee

Business Strategy and Planning Process

Information Management Strategy

Financial Management Arrangements

Risk Management

Health & Safety

Business Continuity  
Role of Internal Audit  
Performance Management  
Audit and Risk Management Committee

## Review of Effectiveness

### Head of Internal Audit's Opinion

### Future Developments

**NB:** The following items constitute the Future Work Programme from the 2017/18 Annual Governance Statement (see paragraph 7 of the covering report):

- Review the City Corporation's governance arrangements against the requirements of the CIPFA/Solace framework *Delivering Good Governance in Local Government 2016*.
- Roll out the refreshed Corporate Plan, for the period 2018-23, and both develop and begin collecting data against a set of outcome-based measures for the whole City Corporation, that demonstrate impact and progress towards delivering the Plan.
- Undertake an annual update for the registration and publication of declarations of interest by the City Corporation's Members and Co-opted Members.
- Deliver the benefits from the programme of cross-cutting efficiency and effectiveness reviews resulting from the service-based review, the 2% budget efficiency target and the Chief Officer Peer Reviews.
- Publish a new Information Management (IM) Strategy with recommendations for an Information Management Operating Model, which will require:
  - the set-up of an IM organisation with additional job roles.
  - a change to the method of information management in the City Corporation.
  - specific projects and "units of work" to be delivered in 2018/19.
- Implement the new risk appetite framework for the City Corporation, which reflects its capacity to manage risk and willingness to take risk in order to meet the strategic objectives.
- Review the corporate risk register following the adoption of the City Corporation's new Corporate Plan.
- Review project and programme governance arrangements, to improve the handling of corporate and departmental projects, including reviewing the terms of reference of relevant governance groups and a process for escalating risks to the appropriate levels.
- Investigate ISO22301 accreditation for our business continuity services.
- Extend the remit of the Audit & Risk Management Committee to undertake periodic reviews of the risk management procedures, financial capabilities, controls, and safeguarding procedures of the City of London School, the City of London School for Girls, the City of London Freeman's School, the City of London Academies Trust (including its embedded academies) and the City Academies that are free-standing entities.

This annual governance statement was approved by the City's Audit and Risk Management Committee on **xxxxxxx**.

John Barradell  
 Town Clerk and Chief Executive  
 Date:

Catherine McGuinness  
 Chair, Policy and Resources Committee  
 Date: