

ANNUAL GOVERNANCE STATEMENT 2016/17: OUTLINE

Scope of Responsibility

1. The City of London Corporation is a diverse organisation with three main aims: to support and promote the City as the world leader in international finance and business services; to provide modern, efficient and high quality local services, including policing, within the Square Mile for workers, residents and visitors; and to provide valued services, such as education, employment, culture and leisure to London and the nation. 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. 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 2017 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: These are the future Developments from the 2015/16 Annual Governance Statement (see paragraph 8 of the covering report):

- Reviewing the Complaints Procedure (in respect of complaints against Members) and the Dispensations arrangements.
- Undertaking an annual update for the registration and publication of Declarations of Interest by the City's Members and Co-opted Members.
- Delivering the benefits from the programme of cross-cutting efficiency and effectiveness reviews.
- Completing a review of information security and management, leading to: the identification of Information Asset Owners; the production of an information asset register; the development of an Information Management Policy, and the implementation of an appropriate Data Classification Scheme.
- Reviewing the corporate Business Planning and Performance Management processes and framework.
- Developing an Efficiency Plan in response to the Government's offer of a four-year funding settlement to 2019-20.
- Reviewing the implications of the Government's proposals on devolution to London, including the devolution of business rates.
- Reviewing the Internal Audit Charter.

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:

xxxxx
Chairman, Policy and Resources
Committee
Date: