

## **Audit and Governance Committee**

29 June 2010

Report of the Director of Customer & Business Support Services

### **Annual Governance Statement 2009/10**

#### **Summary**

- 1 The purpose of this report is to present the Annual Governance Statement (AGS) 2009/10 for approval, which forms part of the Statement of Accounts for 2009/10. The AGS is attached as Annex A and has been agreed by the Leader and Chief Executive of the council (a signed version is contained within the Statement of Accounts) . A draft AGS was considered by the committee at its last meeting held on 24 April 2010, and members comments have been considered in drafting the final form of the AGS.

#### **Background**

- 2 The Accounts and Audit Regulations 2003 imposed a legal requirement on all local authorities to conduct a review of the effectiveness of systems of internal control and to publish Statements of Internal Control (SIC) as part of the annual accounts.
- 3 In 2007, CIPFA/SOLACE published an updated Framework document. The new document '*Delivering Good Governance in Local Government Framework*' set out six core principles of governance which authorities are required to adopt. In accordance with this requirement, the council has a local Code of Governance which reflects the CIPFA/SOLACE framework.
- 4 The Framework introduced the requirement on local authorities to prepare an Annual Governance Statement (AGS) instead of a SIC from 2007/08 onwards. In preparing the AGS it is necessary to address the overall governance arrangements of the organisation rather than specifically the systems of internal control.

## **Monitoring of AGS Action Plans**

- 5 As reported at the last Committee the council is keen to seek to streamline the number of improvement plans in place where the actions/outcomes are the same. It is not intended, therefore, to have a separate plan for the AGS. The items included in the 2010/11 Corporate Strategy will be monitored quarterly by Executive part of the council's performance management framework. The items covered by Directorate Plans will be monitored by the Director of Customer & Business Support Services who also chairs the Officer Governance Group (OGG) which will have oversight of the progress of all AGS actions.

## **Consultation**

- 6 Corporate officers have contributed to this report where appropriate.

## **Options**

- 7 Not relevant for the purpose of the report.

## **Analysis**

- 8 Not relevant for the purpose of the report.

## **Corporate Priorities**

- 9 This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything it does. It specifically contributes to the Effective Organisation priority in the Corporate Strategy.

## **Implications**

- 10 The implications are;
- **Financial** – there are no financial implications other than the time required to undertake the review of key controls and prepare the AGS.
  - **Human Resources (HR)** – there are no HR implications to this report.
  - **Equalities** - there are no equalities implications to this report.
  - **Legal** - there is a legal requirement for the council to publish an Annual Governance Statement as part of the annual Statement of Accounts.
  - **Crime and Disorder** – there are no crime and disorder implications to this report.

- **Information Technology (IT)** - there are no IT implications to this report.
- **Property** - there are no property implications to this report.

### **Risk Management Assessment**

- 11 The council will fail to comply with legislative requirements if it does not publish an Annual Governance Statement with the annual Statement of Accounts. The council would be criticised by the external auditor if the process followed to prepare the Annual Governance Statement was not sufficiently robust.

### **Recommendation**

- 12 Members are asked to consider and approve the AGS 2009/10, particularly the significant control issues identified in section 5 of the Statement.

#### Reason

*To enable Members to consider the effectiveness of the council's governance framework, and in particular the significant control issues.*

### **Contact Details**

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**Report Approved**



**Date** 17 June 2010

#### **Specialist Implications Officers**

Not applicable

**Wards Affected:** Not applicable

**All**



**For further information please contact the author of the report**

## **Background Papers**

- CIPFA/SOLACE – ‘Delivering Good Governance in Local Government’ – Framework and Guidance Note for English Authorities’ (2007)
- CIPFA/SOLACE – Application Note to Delivering Good Governance in Local Government:a Framework (March 2010)
- Accounts and Audit Regulations 2003 (as amended)
- CIPFA guidance – ‘The Annual Governance Statement’ – Meeting the Requirements of the Accounts and Audit Regulations 2003 (as amended 2006)
- 2008/09 Annual Governance Statement
- CIPFA – The role of the Chief Finance Officer (2010)

## **Annexes**

Annex A –Annual Governance Statement 2009/10