
ANNUAL GOVERNANCE STATEMENT 2010/2011

To: **Governance and Audit Committee – 29 September 2011**

Main Portfolio Area: **Business Services**

By: **Business Support and Compliance Manager**

Classification: **Unrestricted**

Summary: **To provide Governance and Audit Committee with the Annual Governance Statement 2010/11 for approval.**

For Decision

1.0 Introduction and Background

- 1.1 The Accounts and Audit Regulations 2003 (amended 2006) introduced the requirement for a Statement on Internal Control (SIC) to be prepared by local government bodies from the financial year 2003/2004.
- 1.2 From 2007/2008 this process changed and the council was required to prepare an Annual Governance Statement (AGS) which must be included within the Financial Statement and should be signed by the Leader and Chief Executive.
- 1.3 The Accounts and Audit (England) Regulations 2011 have been published. The new regulations apply for accounts and reports relating to the financial year 2010/2011. The changes to the regulations means that the AGS should accompany the Statement of Accounts and does not need to be included within the body of this document. This means that the AGS is separate from the accounts for the purpose of external audit.
- 1.4 The other change is to the approval process and timeframe. Governance and Audit Committee should consider the draft AGS and assurance gathering process at their meeting in June. The AGS will then be audited and Members made aware of the findings of the audit, which will enable Governance and Audit Committee Members to make an informed decision when approving the AGS in September.

2.0 The Current Situation

- 2.1 The Annual Governance Statement, which is attached at **Annex 1**, should reflect the corporate governance environment of the council as detailed in the adopted Local Code of Corporate Governance. In essence, the AGS is the formal statement that recognises, records and publishes the council's governance arrangements.
- 2.2 The AGS is a key corporate document, and the Leader and Chief Executive have joint responsibility as signatories for its accuracy and completeness. In order to ensure that the AGS accurately reflects our Governance Framework, a number of sources of assurance were gathered to feed into the preparation of the document. It has also been consulted upon with the Leader, Chief Executive, the Section 151 officer, all Directors and the Head of Legal and Democratic Services (Monitoring Officer) through the Governance Board and following the approval process it will be formally signed as required.

2.3 The Draft AGS came before the Governance and Audit Committee on the 29 June 2011, and was agreed with no recommended changes. This was then provided to the Audit Commission for them to audit.

2.4 An action plan for the 'significant governance issues' identified has been prepared which is attached at **Annex 2**. Following approval of the AGS this action plan will be entered into the performance management system and reported back to this Committee on a regular basis.

3.0 External audit

3.1 The Audit Commission have had the opportunity to audit the Draft AGS and their comments are contained within the Annual Governance Report 2010/2011 which is included as a separate item with the 29 September 2011 Governance and Audit Committee agenda.

3.2 In conclusion the Audit Commission have no issues to raise with the AGS 2010/2011 and have signed it off.

4.0 Options

4.1 That Members approve the Annual Governance Statement 2010/2011 and associated action plan.

4.2 That Members do not approve the Annual Governance Statement 2010/2011. This is not recommended as the AGS reinforces the council's governance arrangements.

5.0 Corporate Implications

5.1 Financial

5.1.1 There are no financial implications arising directly from this report.

5.2 Legal

5.2.1 The Accounts and Audit Regulations and other accounting guidance requires the council to follow prescribed formats in the completion of the Annual Governance Statement.

5.3 Corporate

5.3.1 The Annual Governance Statement is a corporate document and as such should be owned by all senior officers and members of the authority.

5.4 Equity and Equalities

5.4.1 There are no equity or equalities issues arising from this report.

5.5 Risks

5.5.1 Failure to approve the AGS will diminish the council's governance arrangements.

6.0 Recommendation(s)

6.1 That Members approve the Annual Governance Statement for 2010/2011 and it's associated action plan.

7.0 Decision Making Process

- 7.1 This recommendation does not involve the making of a key decision.
- 7.2 This recommendation is within the Council's Budgetary and Policy Framework and the decision may be taken by the Governance and Audit Committee.

Contact Officer:	Nikki Morris, Business Support and Compliance Manager, DDI 01843 577625
Reporting to:	Barry Mileham, Business Information and Improvement Manager

Annex List

Annex 1	Annual Governance Statement for 2010/2011
Annex 2	Annual Governance Statement 2010/2011 action plan

Background Papers

Title	Details of where to access copy
Completed assurance statements	Through Business Services
Governance Framework and Local Code of Corporate Governance	Through Business Services / Internet / TOM & Members Portal