

GOVERNANCE AND AUDIT COMMITTEE
29 MARCH 2010

ANNUAL GOVERNANCE STATEMENT
Director of Corporate Services – Legal

1 PURPOSE OF DECISION

To appraise the Committee of the process for preparing the Annual Governance Statement and to consider nominating a Member to participate in the work of the Corporate Governance Working Group in formulating this year's Annual Governance Statement.

2 RECOMMENDATION(S)

That the Committee consider whether it is appropriate for a Member of the Committee to attend the Corporate Governance Working Group on 24 May 2009 to participate in the creation of the Annual Governance Statement, and if so, to nominate this Member.

3 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

3.1 Borough Solicitor

The Borough Solicitor is the author of this Report.

3.2 Borough Treasurer

There are no financial implications of this Report.

3.3 Equalities Impact Assessment

Not relevant

3.4 Strategic Risk Management Issues

Not relevant

4 SUPPORTING INFORMATION

4.1 The Council is required to prepare and publish an Annual Governance Statement in accordance with the Delivering Good Governance in Local Government Framework in order to meet its statutory requirements as set out in Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006. The Regulations require authorities to "conduct a review at least once a year of the effectiveness of its system of internal control" and prepare a statement.

4.2 The Annual Governance Statement covers all the systems within the Council, is signed by the Leader and Chief Executive and contained within the Statement of Accounts.

- 4.3 The review of the Council's governing arrangements in the Annual Governance Statement leads to the formulation of an Action Plan to address any weaknesses identified.

Principles of Good Governance

- 4.4 The Annual Governance Statement reviews the Council's system of internal control and governance. The review assesses the Council's governance arrangements against best practice guidance issued jointly by CIPFA (the Chartered Institute of Public Finance Accountants) and SOLACE (Society of Local Authority Chief Executives).

- 4.5 The CIPFA/SOLACE guidance sets out 6 core principles of good governance which are:

- 1 Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
- 2 Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- 3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- 4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- 5 Developing capacity and capability of members and officers to be effective.
- 6 Engaging with local people and other stakeholders to ensure robust public accountability.

4.6 Preparation of the Annual Governance Statement and Action Plan

- 4.7 The form and content of the Annual Governance Statement is defined in the Supplement to the Delivering Good Governance in Local Government Framework.

- 4.8 The creation of the governance statement requires officers to provide assurances in relation to their area/department. In particular;

- Each Director is required to provide assurances about their department and the Chief Executive provides assurances in relation to the Chief Executive's Department.
- Chief Finance Officer provides assurances in relation to Financial Services.
- Borough Treasurer provides assurances in relation to Risk Management.
- Borough Solicitor provides assurances in relation to Legal and Regulation.

- 4.9 The above officers have been asked to complete their appropriate Assurance Statement by April 16th.

- 4.10 The completed Assurance Statements are considered by the Corporate Governance Working Group who produce the draft Annual Governance Statement and Action Plan.

- 4.11 The drafts are then considered by the Corporate Management Team and at the Executive's Briefing before being submitted to the Governance and Audit Committee for approval on 21 June 2010.

Proposed involvement of Governance and Audit Committee

- 4.12 In previous years officers (in the form of the Corporate Governance Working Group) have drafted the Annual Governance Statement. It is felt that it would be beneficial for there to be Member input into the preparation of the Annual Governance Statement and the Committee is therefore requested to consider nominating a Member of this Committee to attend the meeting of the Working Group on 24 May 2010 at 14.00h. In particular, this meeting will focus on formulating the Annual Governance Statement.
- 4.13 The rationale for inviting a Member to participate in the meeting is that, although the final form of the Annual Governance Statement is signed by the Chief Executive, it is also signed by the Leader. Until now, the Annual Governance Statement has lacked a Members perspective until it has gone right through the drafting process to the Executive's Briefing. Other authorities do involve a Member at an earlier stage and this seems a sensible approach.

Background Papers

CIPFA/SOLACE: Delivering Good Governance in Local Government Framework

CIPFA/SOLACE: Delivering Good Governance in Local Government Guidance Note for Local Authorities

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