

**GOVERNANCE AND AUDIT COMMITTEE
29 JUNE 2010**

**ANNUAL GOVERNANCE STATEMENT
Director of Corporate Services – Legal**

1 PURPOSE OF DECISION

- 1.1 To approve the Annual Governance Statement (AGS) 2009/10 and the Action Plan 2010/11 to address weaknesses identified in the AGS.

2 RECOMMENDATION(S)

- 2.1 **That the draft Annual Governance Statement shown as Appendix 1 to this report be approved.**
- 2.2 **That the Action Plan shown as Appendix 2 to this report be approved.**

3 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 3.1 The Borough Solicitor is the author of this report.

Borough Treasurer

- 3.2 There are no financial implications directly arising.

Equalities Impact Assessment

- 3.3 Not applicable.

Strategic Risk Management Issues

- 3.4 Risk management is a key part of good governance. Progress made on risk management during 2009/10 is included at paragraphs 3.4.7 - 3.4.13, 3.4.16 and 4.7-4.8 of the AGS in Appendix 1.

4 SUPPORTING INFORMATION

- 4.1 The CIPFA/SOLACE publication "Delivering Good Governance in Local Government: Framework" identifies six core principles of good governance and recommends that authorities produce an Annual Governance Statement (AGS) to report publicly on the extent to which the Authority complies with its own Local Code of Governance including how it has monitored the effectiveness of its governance arrangements in the year and any planned changes in the coming period.
- 4.2 In England, the preparation and publication of an AGS is necessary to meet the statutory requirement set out in Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006. This requires authorities to prepare a statement in accordance with "proper practices" and the guidance in the Framework

recommending an AGS constitutes “proper practice”. The AGS is signed by the Chief Executive and the Leader of the Council.

- 4.3 The AGS for 2008/09 identified a number of areas for improvement, in particular the absence of an Audit Committee, improvements required to risk management arrangements, weaknesses in compliance with procurement regulations and the need to review governance arrangements for our themed partnerships. An Action Plans to address these issues was put in place and has been monitored by the Governance Working Group on a regular basis. Considerable progress has been made during 2009/10 on implementing those actions.
- 4.4 The draft AGS for 2009/10 on the effectiveness of the Council’s governance arrangements has now been drafted and was reviewed by the officer Governance Working Group on 24 May 2010. In accordance with the resolution of the Committee at its meeting on 29th March 2010 Councillor Thompson was invited and attended the Working Group for the item on the AGS. The AGS has been amended to include comments made by the Working Group. The primary source of assurance for the AGS, as advised in CIPFA’s Rough Guide on the AGS, is the assurance statements completed by
- the Assistant Chief Executive and each Director on compliance with internal controls and governance arrangements across their departments;
 - the Monitoring Officer in respect of legal and regulatory functions;
 - the Chief Officer: Financial Services in respect of financial controls; and
 - the Borough Treasurer in respect of risk management.
- 4.5 The draft AGS attached at Appendix 1 is based on the declarations in the assurance statements and matters identified by the Working Group. The issues referred to in paragraph 5 are those weaknesses highlighted in the assurance statements. In addition, in drafting the AGS, progress on actions to address significant issues included in the 2008/09 AGS has been taken into account and these issues have been included again in the 2010/11 Action Plan where those actions are still ongoing.
- 4.6 A draft Action Plan has been drawn up to address the issues highlighted in the 2009/10 AGS and this is attached at Appendix 2.

Contact for further information

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