

## PERFORMANCE AND GOVERNANCE COMMITTEE – 28 JUNE 2011

### ANNUAL GOVERNANCE STATEMENT 2010/11

Report of the: Chief Executive

Status: For Decision

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**This report supports the Key Aim of Effective Management of Council Resources**

**Portfolio Holder** Cllr. Ramsay

**Head of Service** Head of Finance and Human Resources – Tricia Marshall

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**Recommendation:** It be RESOLVED that the Annual Governance Statement for 2010/11, which supports the Council's Accounts, be agreed.

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#### Background

- 1 Members may be aware that the Performance and Governance Committee is required to consider and approve the Annual Governance Statement (AGS) which supports the Council's Annual Accounts, as part of the Performance and Governance Committee's terms of reference.
- 2 The Annual Governance Statement explains how the Council has complied with the Local Code of Corporate Governance (which is consistent with the principles of the CIPFA Guidance, "Delivering Good Governance in Local Government"); as well as its internal control and risk management processes. It is a corporate document involving a variety of people including Officers, Members and external regulatory agencies charged with delivering or contributing towards the delivery of good governance within the Council.

#### Introduction

- 3 Members are requested to consider and agree the AGS, details of which are attached as an Appendix to this report. The AGS is required to be considered separately from the Accounts to ensure compliance with the requirements of the Accounts and Audit Regulations 2003 (Amendment) 2006.

#### Ownership of The Annual Governance Statement

- 4 The Annual Governance Statement is a corporate document which is owned by all senior Officers and Members of the Council. A shared approach was taken in compiling the AGS, as delegation to a single individual or section would lessen the statement's significance and may encourage people to distance themselves from their proper responsibilities.

- 5 The AGS, together with the system of internal control, is reviewed continually throughout the year as part of routine governance and managerial processes; prime examples being the authority's performance management and risk management frameworks.
- 6 Although corporately owned, the AGS requires individual assessments/assurance statements from Heads of Service, Directors, the Monitoring Officer and the Section 151 Officer, all of which were obtained as part of the information gathering process which informed the AGS.

### **Outcome of the Process**

- 7 The process identify that the Council has sound systems of internal control and governance in place. The only issue of significance identified during the process is highlighted on paragraph 6 of the report.

### **Approval Process**

- 8 The AGS was considered by the Officers Risk management Group on 14<sup>th</sup> June 2011 and by Management Team on 15<sup>th</sup> June 2011. The P&GC is therefore requested to considered and approved the AGS at this meeting.. Following approval by the P&GC, the AGS is required to be signed by the Leader and the Chief Executive prior to inclusion in the Council's financial accounts.

### **Key Implications**

#### Financial

- 9 This report has no financial implications.

#### Community Impact and outcomes

- 8 Not applicable

#### Legal, Human Rights etc.

- 9 This report has no additional legal implications

#### Resource (non-financial)

- 10 Not applicable

#### Value for Money and Asset Management

- 11 Not Applicable.

#### Equality

- 12 There are no additional equality implications for this report

Sustainability Checklist

13 Not applicable

**Conclusions**

14 The Annual Governance Statement has been prepared in compliance with relevant professional guidance. It demonstrates that the Council had sound governance arrangements in place during the year and in the period leading up to the preparation of the Council's Annual Accounts. Members are therefore requested to agree the attached AGS.

**Risk Assessment Statement**

15 The Council is required to produce an Annual Governance Statement to demonstrate that it has sound governance arrangements in place through-out the financial year, which supports its Annual Accounts. The Annual Governance Statement accompanying this report meets that requirement and was produced in compliance with proper practices in accordance with relevant professional guidance.

**Sources of Information:** Accounts and Audit Regulations 2003  
(Amendment) 2006

Delivering Good Governance in Local  
Government. CIPFA (2007)

Annual Internal audit Plan 2009/10

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