

# ANNUAL GOVERNANCE STATEMENT 2008

## PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

27TH MARCH 2008

### Wards Affected

County-wide.

### Purpose

1. To consider and agree, in the light of comments made by the Audit & Corporate Governance Committee, the proposed framework for preparing an Annual Governance Statement as set out in the appendices to this report.

### Key Decision

2. This is not a Key Decision.

### Recommendation(s)

- THAT (a) Cabinet considers and agrees the proposed framework for preparing an Annual Governance Statement as set out in the appendices to this report; and**
- (b) Cabinet requires the Monitoring Officer to carry out a review of the Council's Code of Corporate Governance to ensure it meets the new regulations and guidance on the delivery of good governance in local government.**

### Reasons

3. To ensure the Council complies with the latest regulations and guidance on the delivery of good governance within local government.

### Considerations

4. Regulation 4 of the Accounts and Audit Regulations 2003 require the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and publish a Statement on Internal Control with its annual statement of accounts.
5. The Department for Communities & Local Government Circular 03/2006 and the Use of Resources 2008 assessment require a change in approach with the Council replacing the Statement on Internal Control with an Annual Governance Statement (AGS).

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Further information on the subject of this report is available from  
Mrs Sonia Rees, Director of Resources on tel (01432) 383519

6. The Society of Local Authority Chief Executives and Senior Managers (SOLACE) and the Chartered Institute of Public Finance & Accountancy (CIPFA) have jointly published guidance on delivering good governance in local government in line with the latest regulations.
7. The key lines of enquiry for the Use of Resources assessment for 2008 highlight the need for the Council to have arrangements in place to maintain a sound system of internal control. The criteria are as follows:
  - (a) An appropriate member group has responsibility for review and approval of the governance statement, and considers it separately from the accounts statement (Level 2 – only at minimum requirement, adequate performance).
  - (b) The Council has conducted an annual review of the effectiveness of its governance framework, including the system of internal control, and reported on this in the governance statement (Level 2 – only at minimum requirement, adequate performance).
  - (c) The sources to support the governance statement have been identified and are reviewed by senior officers and members (Level 2 – only at minimum requirement, adequate performance).
  - (d) There are action plans in place to address any significant governance issues reported in the governance statement (Level 2 – only at minimum requirement, adequate performance).
  - (e) The Council has put in place an assurance framework that maps the Council's strategic objectives to risks, controls and assurances (Level 3 – consistently above minimum requirements, performing well).
  - (f) The assurance framework provides members with information to support the governance statement (Level 3 – consistently above minimum requirements, performing well).
  - (g) The assurance framework is fully embedded in the Council's business process (Level 4 – well above the minimum requirement, performing strongly).
  - (h) The Council can demonstrate corporate involvement in/ownership of the process for preparing the governance statement (Level 4 – well above the minimum requirement, performing strongly).
8. The Audit & Corporate Governance Committee considered a suggested framework for complying with the new regulations and guidance on 25th January 2008 and on 29th February 2008. The appendices to this report incorporate the comments made by the Audit & Corporate Governance Committee on both occasions.
9. The Audit & Corporate Governance Committee suggests that Cabinet arranges for the review of the Council's Code of Corporate Governance in the light of the new requirements for an Annual Governance Statement.
10. The Director of Resources, the Council's Section 151 Officer is responsible for the efficiency and effectiveness with regards to financial probity, performance and risk elements of the Statement.

11. The Head of Legal & Democratic Services, the Council's Monitoring Officer, together with the Standards Committee, is responsible for the efficiency, effectiveness and compliance with regards to legal probity and the ethical framework elements of the Statement.

## **Financial Implications**

12. None arising as a direct result of this report.

## **Risk Management**

13. The Council has a legal obligation to produce an Annual Governance Statement; this is also a requirement of the Use of Resources assessment. The risk is that the Council does not comply. Approval of Appendices 1 to 3 will aid compliance. In addition, the Council has nominated a Member of the Council's Corporate Management Board to oversee compliance.

## **Alternative Options**

14. There are no Alternative Options.

## **Consultees**

15. The Audit & Corporate Governance Committee has been consulted on a new proposed framework for preparing the Annual Governance Statement

## **Appendices**

16. Appendices 1 – 3 outline the principles, framework and sources of evidence for the Annual Governance Statement.

## **Background Papers**

None identified.