

<b>MEETING:</b>	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
<b>DATE:</b>	<b>29 JUNE 2010</b>
<b>TITLE OF REPORT:</b>	<b>ANNUAL GOVERNANCE STATEMENT 2009-10</b>
<b>OFFICER:</b>	<b>CHIEF INTERNAL AUDITOR</b>

**CLASSIFICATION:** Open

## **Wards Affected**

County-wide

## **Purpose**

To seek the Audit and Governance Committee's approval of the draft Annual Governance Statement.

## **Key Decision**

This is not a Key Decision.

## **Recommendation**

**THAT**

- (a) The Audit and Governance Committee reviews the draft Annual Governance Statement 2009-10 attached as Appendix 1 to this report.**
- (b) The Audit and Governance Committee approves the Annual Governance Statement 2009-10 for inclusion in the Statement of Accounts for 2009-10.**

## **Key Points Summary**

The areas where action is required can be summarised as follows.

- The review of the Code of Governance
- The need to continue to embed risk management.
- Review and update the Data Quality Policy
- The formal assessment of its system of internal audit.
- The Monitoring Officers Report is required as quickly as possible following receipt of the required information from the Local Government Ombudsman.
- Ensure that the improvements to the ISIS (which is used to pay independent providers for

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Further information on the subject of this report is available from  
Tony Ford – Chief Internal Auditor on (01432) 260425

social care) are carried out in a timely manner.

- Corporately progress on Good Environmental Management (GEM) audits needs to improve

## Alternative Options

1. There are no alternative options as the publication of the statement is a statutory requirement.

## Reasons for Recommendations

2. This is a statutory requirement

## Introduction and Background

3. The Council appoints the Audit and Governance Committee to ensure the effective and fully compliant governance of the Council and in particular to ensure that all aspects of the financial affairs of the Council are properly and effectively conducted.

## Key Considerations

4. The Annual Governance Statement is prepared in advance of the annual accounts it provides a commentary from management on compliance with the Council's Code of Governance and identifies areas for further improvement.
5. The Council has a responsibility for conducting at least annually a review of the effectiveness of the governance framework including the system of internal control. Sign off by Joint Management Team is an integral part of the review.
6. Actions on the significant internal control issues identified in the Annual Governance Statement for 2008/09 were reported to the Audit and Governance Committee on a regular basis as part of the regular Audit Interim Assurance Reports.
7. The Audit and Governance Code authorises the Audit and Governance Committee to review and approve the Council's Annual Governance Statement. The Code also states that '*The Annual Governance Statement is prepared in advance of the annual statements of account: it provides a commentary from management on the compliance with the Council's code of governance and identifies areas for further improvement.*'

## Community Impact

8. None Identified

## Financial Implications

9. None.

## Legal Implications

10. The Accounts and Audit Regulations include requirements for all local authorities to produce an Annual Governance Statement.

## **Risk Management**

11. There is the risk that the statement is not presented to the Audit and Governance Committee on time. To ensure compliance the production of the statement forms part of the Chief Internal Auditors work plan, and the closing of accounts time table produced by Financial Services

## **Consultees**

12. Consultation has taken place with Joint Management Team and the Assistant Chief Executive Legal and Democratic and their comments have been taken into account.

## **Appendices**

### **Appendix 1 Draft Annual Governance Statement 2009-10**

## **Background Papers**

- The Audit and Governance Code.