

MEETING:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	23 AUGUST 2011
TITLE OF REPORT:	ANNUAL GOVERNANCE STATEMENT
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

The purpose of this report is to seek the Audit and Governance Committee's approval of the Annual Governance Statement for 2010/11.

Key Decision

This is not a Key Decision.

Recommendation

THAT

- (a) The Audit and Governance Committee reviews the draft Annual Governance Statement 2010/11 attached as Appendix 1 to this report.**
- (b) The Audit and Governance Committee approves the draft Annual Governance Statement 2010/11 for inclusion in the Statement of Accounts for 2010/11.**

Key Points Summary

- The draft Annual Governance Statement 2010/11 is set out in Appendix 1.
- The Annual Governance Statement 2010/11 has been drafted in accordance with the requirements of the Accounts and Audit Regulations 2003.
- The main areas where improvements are required to the Council's governance and control processes include continuing to embed risk management, ensuring improvements are carried out to key systems where marginal assurance is given and controls are embedded within the Shared Services Partnership.

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 Section 12, paragraph 5.12.5 of the Audit and Governance Code sets out the terms of reference of the Audit and Governance Committee. One of the requirements of the terms of reference is that the Committee review and approve the Annual Governance Statement.

Key Considerations

- 4 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. This is reported through the Annual Governance Statement which is reviewed and approved by the Audit and Governance Committee prior to its inclusion within the Council's Statement of Accounts. The Annual Governance Statement also provides commentary on how the Council's governance framework including the system of internal control can be improved.
- 5 Actions on significant internal control issues identified in the Annual Governance Statement for 2009/10 were reported to the Audit and Governance Committee as part of the Interim Assurance Reports in 2010/11.
- 6 The Audit and Governance Code authorises the Audit and Governance Committee to review and approve the Council's Annual Governance Statement.

Financial Implications

- 7 There are no financial Implications.

Legal Implications

- 8 The Accounts and Audit Regulations include requirements for all Council's to produce an Annual Governance Statement.

Risk Management

- 9 There is a risk that the statement does not present a full and accurate description of the Council's governance and control arrangements.

Appendices

Appendix 1- Audit and Governance Statement 2010/11