

<b>MEETING:</b>	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
<b>DATE:</b>	<b>6 JULY 2012</b>
<b>TITLE OF REPORT:</b>	<b>DRAFT ANNUAL GOVERNANCE STATEMENT</b>
<b>PORTFOLIO AREA:</b>	<b>CORPORATE SERVICES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

The purpose of this report is to seek approval of the Annual Governance Statement for 2011/12.

### **Key Decision**

This is not a Key Decision.

### **Recommendation**

**THAT:**

- (a) **the draft Annual Governance Statement 2011/12 attached as Appendix 1 to this report be reviewed; and**
- (b) **the draft Annual Governance Statement 2011/12 for inclusion in the Statement of Accounts for 2011/12 be approved.**

### **Key Points Summary**

- The draft Annual Governance Statement 2011/12 is set out in Appendix 1.
- The Annual Governance Statement 2011/12 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.
4. The Annual Governance Statement has been reviewed by the Council's Leadership Team. Prior to sign off by the Leadership Team senior managers reviewed the statement and where appropriate provided relevant comments.

## **Key Considerations**

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. 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.
6. Actions on significant internal control issues identified in the Annual Governance Statement for 2010/11 were reported to the Audit and Governance Committee as part of the Interim Assurance Reports in 2011/12.
7. The Audit and Governance Code authorises the Audit and Governance Committee to review and approve the Council's Annual Governance Statement.
8. Whilst the Annual Statement by its nature is only signed off once a year, the process of review is continuous. As a result the reports presented to each meeting of the Audit & Governance Committee are used to inform the Annual Governance Statement.
9. The Annual Governance Statement is signed by the Leader of the Council, the Chief Executive, the Chief Officer: Finance & Commercial and the Assistant Director (Law, Governance & Resilience).

## **Financial Implications**

10. There are no financial Implications.

## **Legal Implications**

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

## **Risk Management**

12. 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 2011/12