

Agenda Item No: 8

Report to: Audit Committee

Date of Meeting: 30 June 2008

Report Title: Draft Annual Governance Statement

Report By: Tom Davies
Chief Auditor

Purpose of Report

For publication in the Financial Statements in compliance with the Accounts and Audit Regulations 2003.

Recommendation(s)

1. That the Audit Committee approves the Annual Governance Statement 2007-08
2. That the Audit Committee recommends that the Leader and the Chief Executive sign the Annual Governance Statement
3. That the Annual Governance Statement is included in the Financial Statements as required by the Accounts and Audit Regulations 2003

Reasons for Recommendations

The recommendations have been made to comply with the Accounts and Audit Regulations 2003

Background

Introduction

1. This report introduces the requirements for the reporting of an Annual Governance Statement for 2007/08. The Governance Statement provides assurance that the Council's governance framework is adequate and effective.
2. For several years the Council has reported a 'Statement on Internal Control' (SIC) as part of its Annual Statement of Accounts, which was signed by the Leader and Chief Executive. From 2007/08, the requirement is to produce an Annual

Governance Statement (AGS) instead of the SIC. The AGS also needs to be signed by the Leader and Chief Executive.

3. The AGS is a statutory requirement as set out in Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit Regulations 2006. Guidance for the review of the existing Code of Corporate Governance and for the preparation, review and reporting of the new AGS was issued by CIPFA SOLACE in 2007. The CIPFA Finance and Advisory Network also published a Rough Guide for Practitioners and has been used to prepare this report.
4. The Good Governance Framework sets out six principles of corporate governance (as shown below) which are underpinned by supporting principles and requirements:

Well defined functions and responsibilities

An appropriate corporate culture

Transparent decision making

A strong governance team

A clear definition of the body's purpose and desired outcomes

Real accountability to stakeholders

5. Councils are expected to comply with the requirements of the framework and thus meet the principles of good corporate governance.

Content of an AGS

6. The AGS should be an open and honest self-assessment of a Council's performance across all of its activities with a clear statement of the actions being taken to address areas of concern.

7. It should include the following:

An acknowledgment of responsibility for ensuring there is a sound system of Governance (incorporating the system of internal control)

A description of the key elements of the systems and processes that comprise the governance arrangements

A brief description of the process that has been applied in maintaining and reviewing the effectiveness of governance arrangements and

An outline of actions taken or proposed to deal with significant governance issues Including an agreed action plan

8. The AGS for 2007/08 is attached at appendix A.



Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No

Supporting Documents

CIPFA Finance Advisory Network Rough Guide to the Annual Governance Statement

Officer to Contact

Tom Davies
tdavies@hastings.gov.uk
Telephone Number: 01424 451524

