

Agenda Item No:

Report to: Audit Committee

Date of Meeting: 28 June 2010

Report Title: Annual Governance Statement 2009/10

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 recommends that the Leader and the Chief Executive sign the Annual Governance Statement**
- 2. 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.

Introduction

1. This report introduces the requirements for the reporting of an Annual Governance Statement for 2009/10. The Governance Statement provides assurance that the Council's governance framework is adequate and effective.
2. This is the third year for the requirement to produce an Annual Governance Statement (AGS) and as last year, it 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 this was 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 2009/10 is attached at appendix A.

Wards Affected

None

Area(s) Affected

None

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 | No |
| Human Rights Act | No |
| Organisational Consequences | No |

Background Information

ICIPFA Finance and Advisory Network Rough Guide for Practitioners on Preparation of the Annual Governance Statement

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