

## Bath & North East Somerset Council

MEETING:	Corporate Audit Committee	
MEETING DATE:	28th June 2011	AGENDA ITEM NUMBER
TITLE:	Annual Governance Statement	
WARD:	ALL	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> Appendix 1 – Annual Governance Review Framework Appendix 2 – Draft Annual Governance Statement 2010/11		

### 1 THE ISSUE

- 1.1 In 2006 the Accounts and Audit Regulations were updated and in 2007 CIPFA / SOLACE published revised guidance 'Delivering Good Governance in Local Government'. This requires all Authority's to carry out an 'Annual Governance Review' and to publish an 'Annual Governance Statement' as part of the Council's Statutory Statement of Accounts.
- 1.2 The aim of this report is to update the Committee on the outcome of the Annual Governance Review for 2010/11 and present a draft of the Council's Annual Governance Statement 2010/11 prior to it being signed by the Leader of the Council and Chief Executive for publication in the Council's Statement of Accounts.
- 1.3 Due to the consultation process being 'live' throughout June, a final list of issues and agreed actions will be presented to the committee at the meeting itself to ensure that it is meaningful and is therefore not included within the papers.

### 2 RECOMMENDATION

- 2.1 The Corporate Audit Committee is asked to confirm it has considered the Statement and recommend that the Leader of the Council and Chief Executive sign the Annual Governance Statement 2010/11 (Appendix 2)

### 3 FINANCIAL IMPLICATIONS

3.1 A robust review of the Council's internal control and governance framework and the subsequent implementation of action plans form an essential part of the financial management framework.

### 4 THE REPORT

4.1 In England, the preparation and publication of an Annual Governance Statement in accordance with the CIPFA / SOLACE 'Delivering Good Governance in Local Government' Framework is necessary to meet the statutory requirement set out in Regulation 4(2) of the Accounts and Audit Regulations 2006 for authorities to prepare a statement of internal control in accordance with "proper practices".

4.2 On an annual basis the Council has to:

- Review governance arrangements against the Framework.
- Develop and maintain an up-to date local code of governance, including arrangements for ensuring its ongoing application and effectiveness.
- Prepare a governance statement in order to report publicly on the extent to which the Council complies with the local code including how the Council has monitored the effectiveness of the governance arrangements in the year, and on any planned changes in the coming period.

4.2 The review of governance – see Appendix 1 - covers all significant corporate systems, processes and controls, spanning the whole range of Council activities, including in particular those designed to ensure:

- Council policies are implemented;
- Quality services are delivered efficiently and effectively;
- Council's values and ethical standards are met;
- Compliance with laws and regulations;
- Financial statements and other published performance information are accurate and reliable;
- Human, financial, environmental and other resources are managed efficiently and effectively

4.3 The Risk & Assurance Service (Audit & Risk Team) carry out the review of governance on behalf of the Council and the following methodology was adopted for the 2010/11 Review:-

- A representative of Audit & Risk met key Council Officers to consider issues and review evidence with relation to :-
  - Performance Management
  - Finance
  - Legal
  - Information Governance
  - Human Resources

- Health & Safety
- Environmental Impact & Sustainability
- Equalities & Diversity
- A representative of Audit & Risk met each Divisional Director to obtain their input using a standard questionnaire. Evidence was collected if an issue was identified.

4.4 Normally the Audit Committee is consulted in April when a long list of issues is being prepared in order to inform the process and assist senior management in deciding on the significant issues. However due to the election it was not possible to arrange a formal meeting of the committee and consultation has occurred through the Chair of the Committee and Independent Member during June.

4.6 The governance review carried out has resulted in the production of an Annual Governance Statement 2010/11 (see Appendix 2).

### **Content of the Annual Governance Statement**

4.7 The Statement records the:

- 1) Scope of responsibility of the Council;
- 2) Purpose of the governance framework;
- 3) An explanation of the key elements of the Council's governance arrangements;
- 4) Process that has been applied in reviewing the effectiveness of the governance framework and the sources of assurance for the Annual Governance Statement;
- 5) Corporate involvement in its production;
- 6) Up-dated position on the 2009/10 significant issues;
- 7) Significant governance issues 2010/11.

4.8 The 2010/11 governance review documentation is available for inspection by the Council's External Auditors, as part of their audit of the Council's Statutory Statement of Accounts.

## **5. RISK MANAGEMENT**

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

## **6. EQUALITIES**

6.1 A proportionate equalities impact assessment has been undertaken and there are no significant issues to report.

## **7. CONSULTATION**

7.1 A copy of this report was presented to the Strategic Director Resources & Support Services for comment.

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<b>Background papers</b>	<i>Report to Council – 8<sup>th</sup> May 2008 – Local Code of Corporate Governance</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	