



**DRAFT ANNUAL GOVERNANCE STATEMENT 2011/12
REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE
DIRECTION)**

1. **PURPOSE OF REPORT**

- 1.1 To provide the committee with the draft Annual Governance Statement 2011/12 ahead of formal approval in September 2012.

2. **RECOMMENDATION**

- 2.2 That the committee review the draft document ahead of formal approval in September 2012.

3. **BACKGROUND TO THE REPORT**

- 3.1 The Accounts and Audit Regulations 2011 have established requirements that all local authorities must adhere to in relation to systems of internal control. This has implications for the whole authority and all its services. The regulations require councils to “have a sound system of internal control which facilitates the effective exercise of the council’s functions and which include the arrangements for the management of risk”.
- 3.2 The Council is required to review at least annually the effectiveness of the system of internal controls and make a statement on that alongside the Statement of Accounts.
- 3.3 Whilst the legislation requiring the statement is placed with the Accounts and Audit Regulations **this is not just an accounting or auditing issue. The Annual Governance Statement is a key measure of the overall effectiveness of the Authority.**
- 3.4 As part of the production of the Annual Governance Statement, assurance is required from all services regarding their current systems, procedures and accompanying controls operated. All services were therefore asked to complete a service assurance assessment which has formed part of this statement.
- 3.5 The draft Annual Governance Statement is attached in Appendix 1.
- 3.6 The Annual Governance Statement includes one significant control weakness to bring to this committee’s attention. This relates to the previous qualification of the Council’s Housing Revenue Account Base Data Subsidy Return for 2010/11. An action plan has been put in place to address this issue, the details of which are contained within the statement.

4. **FINANCIAL IMPLICATIONS (KB)**

None

5. **LEGAL IMPLICATIONS**

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which it functions, having regard to a combination of economy efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the council's functions and which includes arrangements for the management of risk. The Accounts and Audit Regulations 2011 have established the requirement that all local authorities must adhere to in relation to systems of internal control.

6. **CORPORATE PLAN IMPLICATIONS**

The Council's governance arrangements are robust

7. **CONSULTATION**

All members of COB and Middle Managers have been consulted in preparing the Statement.

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

None

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications

- Human Resources implications
- Planning Implications
- Voluntary Sector

Background Papers: Service Assurance Statements
 Council Policies and Procedures

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