



## Cabinet 14 September 2011

### Report of the Performance and Audit Scrutiny Committee: Annual Governance Statement 2010/2011 (Sep11/12)

1. The Council is required to produce and publish an Annual Governance Statement (AGS), which covers six laid down core governance principles, and is to be approved by full Council, and signed by the Leader of the Council and the Chief Executive Officer.
2. The AGS for 2010/2011 accompanies the Statement of Accounts, and covers the Council's responsibilities in terms of the governance framework, the Borough Council's governance environment relating to the six laid down corporate governance principles, and the effectiveness of arrangements and any significant areas of weakness identified, with proposed actions to address them.
3. The governance framework is designed to facilitate the achievement of the Council's policies, aims, and objectives, and to identify and manage risk to a reasonable level. The governance framework is embedded within the Borough Council's Constitution and the systems, policies, procedures and operations in place throughout the Council.
4. Following a presentation which outlined the history and importance of corporate governance and the background to the annual review, the Committee received and scrutinised a report setting out the detail supporting the Council's AGS. Members scrutinised the report in detail, with particular emphasis on the adequacy of the governance framework outlined in Section 3 and Annex A of the AGS, as well as the Assurance Framework at Appendix A; the adequacy of the processes to review the effectiveness of internal control outlined in Section 4 of the AGS; and the result of the review of the effectiveness of internal audit referred to in Section 4 of the AGS, and contained within report C79 and Appendices 1 to 3 of that report, which was considered by the Committee immediately prior to the AGS.
5. The Committee confirmed that the internal control assessment and proposed additional areas for improvement (Assurance Framework and related Action Plan) provided at Appendices 1 and 2 of Report C80 were adequate. The Committee **RECOMMENDS that the:-**
  - (1) **Annual Governance Statement (AGS) for 2010/2011, as set out in Report C80, be recommended for approval by full Council prior to accompanying the Council's financial statements;**

- (2) process used to compile the Annual Governance Statement and review of internal controls be endorsed for application in future years; and**
- (3) internal control assessment and proposed additional areas for improvement (Assurance Framework and related Action Plan) at Appendices 1 and 2 of Report C80 be approved.**

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