



AUDIT COMMITTEE REPORT

Report Title	ANNUAL GOVERNANCE STATEMENT
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	25 th September 2008
Policy Document:	No
Directorate:	Governance & Improvement – Finance & Asset Management
Accountable Cabinet Member:	Councillor Malcolm Mildren

1. Purpose

- 1.1 To present the 2007/08 Annual Governance Statement to the Audit Committee post external audit.

2. Recommendations

- 2.1 That the Audit Committee note this report updating on the position of the 2007/08 Annual Governance Statement post external audit.
- 2.2 That the Audit Committee recommend Cabinet to approve the Annual Governance Statement.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Accounts and Audit Regulations (A&AR) 2003, as amended by the A&AR 2006, require the Council to formally approve the Statement of Accounts by 30th June. This includes the adoption of the Annual Governance Statement (AGS). Post audit, the AGS needs re-approving by the 30th September.

In many organisations the system (and statement) of internal control is often seen as an audit or finance function. The responsibility lies with both officers and members. In summary:

- 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, and used economically, efficiently and effectively.
- The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to value for money.
- In discharging this overall responsibility, the Council (elected Members and officers) is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

3.1.2 The 2007/08 Annual Governance Statement is attached at Appendix 1. Other than minor grammatical changes, there were no amendments to the AGS previously submitted to the Audit Committee, Cabinet and Council in June, as a result of the external audit.

3.2 Issues

3.2.1 As noted within the document, the control weaknesses to be addressed are detailed in paragraph 5.

3.3 Choices (Options)

3.3.1 N/A

4. Implications (including financial implications)

4.1 Policy

4.1.1 N/A

4.2 Resources and Risk

4.2.1 There are no direct implications in relation to the AGS. Actions should be taken to address any issues identified as necessary.

4.2.2 The system on internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance.

4.3 Legal

4.3.1 In accordance with the A&AR, the AGS should be approved with the statement of accounts, post audit, by the 30th September.

4.4 Equality

4.4.1 N/A

4.5 Consultees (Internal and External)

4.5.1 The production of the AGS has involved an internal group, Management Board, Internal Audit, liaison with Members and Corporate Managers.

4.6 Other Implications

4.6.1 N/A

5. Background Papers

5.1 2007/08 Statement of Accounts and AGS working file

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