



Audit Committee

Report Title	ANNUAL GOVERNANCE STATEMENT
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AGENDA STATUS: Public

Cabinet Meeting Date:	21 st September 2009
Directorate:	Finance and Support – Finance and Assets
Accountable Cabinet Member:	Councillor David Perkins
Ward(s)	N/A

1. Purpose

1.1 To report on the 2008/09 Annual Governance Statement post external audit.

2. Recommendations

2.1 That the Audit Committee note this report.

3. Issues and Choices

3.1 Report Background

3.1.1 The Accounts and Audit Regulations (A&AR) 2003, as amended in 2006, require the Council to formally approve the Statement of Accounts by 30th June. This includes the adoption of the Annual Governance Statement. Post audit, they need to be represented if material adjustments have been made, to be approved by the 30th September.

3.1.2 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.

3.1.3 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 ensuring 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.

3.1.4 The Annual Governance Statement was presented to the Audit Committee, Cabinet and Council in June 2009 prior to external audit. Our external auditors, KPMG, have audited our 2008/09 AGS and have made no material amendments that require the AGS to be represented. The one change made was to a diagram (page 5) that included a reference to an annual report, which we do not currently produce. The updated AGS is attached at Appendix 1.

3.2 Issues

None.

3.3 Choices (Options)

N/A

4. Implications (including financial implications)

4.1 Policy

There are no direct implications in relation to the AGS.

4.2 Resources and Risk

None

4.3 Legal

None

4.4 Equality

N/A

4.5 Consultees (Internal and External)

Management Board, Corporate Managers and Internal Audit.

4.6 How the Proposals deliver Priority Outcomes

N/A

4.7 Other Implications

None

5. Background Papers

5.1 Office working file including evidence

Report of Chief Executive, Director of Finance & Support and Borough Solicitor.