



AUDIT COMMITTEE REPORT

Report Title	Annual Governance Statement 2012/13
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	23 rd September 2013
Policy Document:	No
Directorate:	Finance Directorate, LGSS
Accountable Cabinet Member:	Councillor A Bottwood

1. Purpose

1.1 To present the Annual Governance Statement 2012/13 to the Audit Committee for approval.

2. Recommendations

2.1 To approve the Annual Governance Statement 2012/13 for publication alongside the Statement of Accounts.

3. Issues and Choices

3.1 Report Background

3.1.1 The Council must publish an Annual Governance Statement. For 2010/11 onwards, this statement must accompany the Statement of Accounts, but does not need to be included in the Statement of Accounts.

3.1.2 The system of 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 for this 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.

3.2 Issues

3.2.1 The significant governance issues are detailed in section 7 of the Annual Governance Statement. There were no significant control weaknesses identified by Internal Audit for 2012/13.

3.3 Choices (Options)

3.3.1 Audit Committee are requested to consider and approve the Annual Governance Statement 2012/13 (attached at **Appendix 1**).

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no specific policy issues arising from this report.

4.2 Resources and Risk

4.2.1 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 There are no specific legal issues arising from this report.

4.4 Equality

4.4.1 There are no specific equalities issues arising from this report.

4.5 Consultees (Internal and External)

4.5.1 Audit Committee were consulted in July 2013. In addition, Heads of Service, Directors, and the Chief Executive have provided returns that have been taken into account in developing the Annual Governance Statement 2012/13.

4.6 Other Implications

4.6.1 There are no other issues arising from this report.

5. Background Papers

5.1 Annual Governance Statement 2012/13 Consultation report to Audit Committee
29th July 2013.

5.2 Appendix 1 – Annual Governance Statement 2012/13

5.3 Assurance Statements from Heads of Service, Directors, and the Chief Executive

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