

REPORT TO GOVERNANCE AND AUDIT COMMITTEE

REPORT OF: HEAD OF FINANCE

REPORT NO.: HOF197

DATE: 29th June 2012

TITLE:	ANNUAL GOVERNANCE STATEMENT (DRAFT) 2011-12	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Paul Carpenter Governance and Communication Portfolio Holder	
CONTACT OFFICER:	Richard Wyles, Head of Finance r.wyles@southkesteven.gov.uk 01476406210	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below: N/A	Full impact assessment Required: N/A
Equality and Diversity		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	Agendas and Minutes of Governance & Audit Committee Meetings 2010-11 and other related documents - available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	

1. RECOMMENDATION

It is recommended that the Committee reviews the contents of the Draft Annual Governance Statement and provide feedback based on its work and findings during the last financial year.

2. PURPOSE OF THE REPORT

The Council is required to produce an Annual Governance Statement in accordance with the CIPFA/SOLACE framework "Delivering Good Governance in Local Government" to meet the statutory requirement set out in Regulation 4(3) of the Accounts and Audit Regulations 2011. The Statement is an open and transparent

review of the effectiveness of the Council's system of governance, risk management and internal control, including performance across all of its activities.

The Statement also takes account of the Application Note to Delivering Good Governance in Local Government: a Framework published in March 2010. This note has been developed to advise on the application of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government under the CIPFA/SOLACE framework. It illustrates how the governance requirements to support the principles in the CFO Statement need to be reflected in the Local Code of Governance and hence the Annual Governance Statement. The Application Note has been prepared as interim guidance prior to a full review of the CIPFA/SOLACE framework.

3. DETAILS OF REPORT

The draft Statement, attached in the Appendix A incorporates the findings contained in the Annual Internal Audit Report and key reports published by the Audit Commission, including the Annual Governance Report and Annual Audit Letter, etc. In some respects, the Statement is forward looking because it makes reference to proposed legislative changes that will most likely impact on the Council's developing policies and procedures, e.g. Localism Act (2011). It can be further amended to reflect any feedback from the Governance and Audit Committee prior to its submission for approval alongside the Statement of Accounts 2011-12.

Members of this Committee, being "those charged with governance" on behalf of the Council, are asked to review and scrutinise the contents of the Appendix based on their work undertaken during the last financial year.

4. OTHER OPTIONS CONSIDERED

The production of an Annual Governance Statement is a statutory requirement so no other options are available.

5. RESOURCE IMPLICATIONS

The report has no direct impact on the Council's resources, including finance/budget, people, land/property, etc.

6. RISK AND MITIGATION

If an AGS is not included within the Statement of Accounts the Council is at risk of having its accounts qualified for non compliance with its statutory responsibilities.

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

N/A

8. CRIME AND DISORDER IMPLICATIONS

N/A

9. COMMENTS OF FINANCIAL SERVICES

Good corporate governance arrangements are vitally important to all tax payers and residents. The Annual Governance Statement is an open and transparent document which clearly demonstrates the work the Council is undertaking to ensure good governance arrangements remain in place.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The draft Annual Governance Statement has been developed in accordance with guidance issued by CIPFA and SOLACE on the delivery of good governance in Local Government. Any feedback given by the Committee will be incorporated in the final draft statement where appropriate and, if approved by the Leader and Chief Executive, will be reported alongside the Statement of Accounts for 2010-11.

11. COMMENTS OF OTHER RELEVANT SERVICES

N/A

12. APPENDIX

Appendix A - Draft 2011-12 Annual Governance Statement