

# REPORT FOR DECISION

**MEETING:** AUDIT COMMITTEE  
**DATE:** 25<sup>th</sup> JUNE 2009  
**SUBJECT:** ANNUAL GOVERNANCE STATEMENT  
**REPORT FROM:** DIRECTOR OF FINANCE & E-GOVERNMENT  
**CONTACT OFFICER:** S. KENYON; HEAD OF STRATEGIC FINANCE

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**TYPE OF DECISION:** Non Key  
**FREEDOM OF INFORMATION/STATUS:** For Publication (in Statement of Accounts)

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**SUMMARY:** Under the Accounts and Audit Regulations (amended 2006) the Council is required to produce an Annual Governance Statement which is one of the documents supporting the annual Statement of Accounts.

**OPTIONS & RECOMMENDED OPTION** Members can accept or reject the Statement; or can request that it be revised.

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## IMPLICATIONS:

**Corporate Aims/Policy Framework:**

Do the proposals accord with the Policy Framework? Yes

**Financial Implications and Risk Considerations:**

There are no direct financial implications arising from this report.

The report outlines the Council's approach to risk management, and considers the effectiveness of these arrangements.

**Statement by Director of Finance and E-Government:**

The Statement is an essential element of the framework by which s151 (of Local Government Act 1972) obligations are

discharged. The Statement outlines the various elements of the governance / control framework and provides an assurance that these are operating to an acceptable standard.

**Equality/Diversity implications:** No

**Considered by Monitoring Officer:** Yes

Considered by Monitoring Officer (member of Governance Panel)

**Are there any legal implications?** Yes - The Statement complies with statutory requirements

**Staffing/ICT/Property:** There are no direct resource implications arising from this report

**Wards Affected:** All

**Scrutiny Interest:** Statement and supporting papers available for Scrutiny inspection.

**TRACKING/PROCESS**

**DIRECTOR:**

| Chief Executive/<br>Management Board | Executive<br>Member/Chair | Ward Members                                  | Partners |
|--------------------------------------|---------------------------|---|----------|
| 8 <sup>th</sup> June 2009            |                           |   |          |
| Scrutiny Commission                  | Executive                 | Committee                                     | Council  |
|                                      |                           | Audit Committee<br>25 <sup>th</sup> June 2009 |          |

**1.0 BACKGROUND**

1.1 It is a requirement to include an Annual Governance Statement in the Authority's published Statement of Accounts.

1.2 The Governance Framework comprises the systems, processes, culture and values through which the Council delivers its core functional activities.

1.3 The Annual Governance Statement provides an assurance that this framework is operating effectively, and reports any significant issues arising during the year.

1.4 The sources of information for the Governance Statement are as follows;

- Compliance with the Local Code of Corporate Governance
- Management of key strategic & operational risks
- Effectiveness of Business Continuity arrangements

- Meetings of the Governance Panel – comprising s151 Officer, Monitoring Officer, Head of Strategic Finance & Head of Internal Audit
- Financial / Performance Monitoring
- The work of Internal Audit & the Audit Committee
- The views of External Audit
- Efficiency / VFM
- Use of Resources Judgement / CPA Assessment
- Arrangements in respect of Group activities – Six Town Housing
- An assessment of controls undertaken by Service Directors; evidenced in a signed “Assurance Statement”.

1.5 Whilst the legal requirement is for an annual statement, Bury’s statement is refreshed on a quarterly basis in line with recommended best practice.

1.6 The quarterly statement is assessed by the Governance Panel and reported through Audit Committee.

1.7 During the year, Internal Audit made 3 “red” recommendations which were perceived to be high risk; these have been / are being addressed as outlined in the Statement.

1.8 Similarly, there were 2 recommendations in the External Auditors’ ISA260 report, and these are being addressed in the 2008/09 final accounts process.

1.9 The Statement outlines key challenges facing the Authority in the year ahead.

## **2.0 ISSUES**

### Risks / Opportunities

2.1 Failure to prepare and publish a robust Statement could result in qualification of the Council’s accounts.

2.2 The Statement presents an opportunity to communicate the Council’s governance arrangements to a wider audience.

### Equality and Diversity

2.3 An effective Governance Framework ensures the Council’s policies are applied as intended.

## **3.0 CONCLUSION**

3.1 Member are requested to approve / reject / amend the Statement

### **List of Background Papers:-**

- Local Code of Corporate Governance
- Risk Management Annual Report
- Internal Audit Annual Report & Opinion (incorporating Review of the Effectiveness of Internal Control)
- Review of the Effectiveness of the Audit Committee
- Directors’ Assurance Certificates

- Audit Commission Value for Money Profiles
- External Audit Opinion
- Minutes of Governance Panel

**Contact Details:-**

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