

# REPORT FOR DECISION

**MEETING:** AUDIT COMMITTEE  
**DATE:** 21st JUNE 2011  
**SUBJECT:** ANNUAL GOVERNANCE STATEMENT  
**REPORT FROM:** EXECUTIVE DIRECTOR OF RESOURCES  
**CONTACT OFFICER:** S. KENYON; ASSISTANT DIRECTOR OF RESOURCES  
(FINANCE & EFFICIENCY)

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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 Executive Director of Resources:**

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/ Strategic Leadership Team	Executive Member/Chair	Ward Members	Partners
9th June 2011			
Scrutiny Commission	Executive	Committee	Council
		Audit Committee 21st June 2011	

**1.0 BACKGROUND**

- 1.1 It is a requirement that the Annual Governance Statement accompanies 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 The Statement outlines key challenges facing the Authority in the year ahead.

1.8 The Statement includes sections on the role of the Chief Finance Officer and the Head of Internal Audit – in line with CIPFA requirements.

## **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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