

REPORT FOR DECISION

MEETING: AUDIT COMMITTEE

DATE: 26th JUNE 2012

SUBJECT: ANNUAL GOVERNANCE STATEMENT

REPORT FROM: EXECUTIVE DIRECTOR OF RESOURCES

CONTACT OFFICER: S. KENYON; ASSISTANT DIRECTOR OF RESOURCES
(FINANCE & EFFICIENCY)

TYPE OF DECISION: Non Key

FREEDOM OF INFORMATION/STATUS: For Publication (in Statement of Accounts)

SUMMARY: Under the Accounts and Audit Regulations 2011 (England) 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.

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 Assistant Director of Resources (Finance & Efficiency):

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 |
| 25th June 2012 | | | |
| Scrutiny Commission | Executive | Committee | Council |
| | | Audit Committee 26 th June 2012 | |

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, Director of Resources and Head of Internal Audit
- Financial / Performance Monitoring
- The work of Internal Audit and the Audit Committee
- The views of External Audit
- Efficiency / VFM
- 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

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