

# REPORT FOR DECISION

**MEETING:** **AUDIT COMMITTEE**

**DATE:** **23<sup>rd</sup> AUGUST 2012**

**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 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.

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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 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.

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**TRACKING/PROCESS**

**DIRECTOR:**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
25th June 2012			
Scrutiny	Cabinet	Committee	Council
		Audit Committee 23 <sup>rd</sup> August 2012 26 <sup>th</sup> June 2012	

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**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
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### **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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