

**GOVERNANCE STATEMENT
(Report by the Head of Legal & Democratic Services)**

1. INTRODUCTION

- 1.1 In accordance with the Accounts & Audit Regulations 2011, the Council is required to review once a year the effectiveness of its system of internal control and following that review, approve its annual governance statement. The governance statement (attached) will be published alongside the annual statement of accounts.

2 BACKGROUND

- 2.1 The Accounts & Audit Regulations of 2003 and 2006 only required the Council to publish a statement on internal control, rather than governance.
- 2.2 The Council adopted its original Code of Corporate Governance in September 2003 and agreed that a review of its content and effectiveness should be undertaken annually.
- 2.3 The requirement to publish a governance statement in lieu of the statement on internal control has therefore not been burdensome.

3 REVIEW PROCESS

- 3.1 Panel held an informal meeting on 4 September, at which the degree of compliance with each undertaking in the Code of Corporate Governance was considered. Whilst the Panel made a number of comments and suggestions, the review concluded that there was a high degree of compliance.
- 3.2 Panel have previously requested that they also receive information on the four following areas:
- a. The process by which the control environment and key controls have been identified - the Council's risk management system.
 - b. The process by which assurance has been gained over controls and the key assurance providers.
 - c. The adequacy and effectiveness of the remedial action taken where there are deficits in controls, which will be led by the Corporate Governance Panel and implemented by management.
 - d. The operation of the Corporate Governance Panel and the internal audit function to current codes and standards.

- 3.3 Reports elsewhere on the agenda deal with the issues identified above. This information is also presented to Panel at various meetings throughout the year.

4 REVIEW OF THE DRAFT STATEMENT

- 4.1 Panel at their informal meeting, considered and commented upon the draft governance statement and reviewed the progress that had been made in respect of addressing the significant governance issues identified from the 2011 review.
- 4.2 Panel also highlighted two significant governance issues for consideration as part of the current governance statement:-
- the employee grade and pay review; and
 - the adequacy of the processes to support the preparation of the statutory accounts.

5. CONCLUSION

- 5.1 The system of internal control is considered to be effective.
- 2.4 The Governance Statement reflects the Council's corporate governance arrangements and their exercise during the preceding year and up to the date of authorisation. It fairly reflects how those significant governance issues previously identified have been addressed as well as identifying significant issues that need to be considered over the next 12 months.

6. RECOMMENDATION

- 6.1 The Panel is recommended to:
- a) approve the Governance Statement for 2011/12; and
 - b) authorise the Chairman of the Panel to sign the Statement on behalf of the Council. .

BACKGROUND INFORMATION

The Council's Code of Corporate Governance and August 2012 review
The Governance Statement, September 2011
CIPFA/SOLACE framework "Good Governance in Local Government 2007"

Contact Officer: Howard Thackray, Policy & Performance Manager
☎ 01480 388115