



## CABINET REPORT

<b>Report Title</b>	<b>ANNUAL GOVERNANCE STATEMENT</b>
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**AGENDA STATUS:** Public

<b>Cabinet Meeting Date:</b>	29 June 2009
<b>Key Decision:</b>	NO
<b>Listed on Forward Plan:</b>	Yes
<b>Within Policy:</b>	N/A
<b>Policy Document:</b>	No
<b>Directorate:</b>	Finance and Support – Finance and Assets
<b>Accountable Cabinet Member:</b>	Councillor David Perkins
<b>Ward(s)</b>	N/A

### 1. Purpose

1.1 To present the 2008/09 Annual Governance Statement to the Cabinet.

### 2. Recommendations

- 2.1 That Cabinet consider any comments on the Annual Governance Statement arising from the Audit Committee considerations.
- 2.2 That Cabinet review the 2008/09 Annual Governance Statement and indicate whether there are any concerns arising that need to be brought to the attention of the Cabinet.
- 2.2 That Cabinet recommend to Council to adopt the Annual Governance Statement subject to any comments arising from 2.1 and 2.2 above.

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 The Accounts and Audit Regulations (A&AR) 2003, as amended in 2006, require the Council to formally approve the Statement of Accounts by 30<sup>th</sup> June. This includes the adoption of the Annual Governance Statement.
- 3.1.2 The system on internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance.
- 3.1.3 In many organisations the system (and statement) of internal control is often seen as an audit or finance function. The responsibility lies with both officers and members. In summary:
- The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
  - The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to value for money.
  - In discharging this overall responsibility, the Council (elected Members and officers) is responsible for ensuring there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.
- 3.1.4 The Annual Governance Statement is attached at Appendix 1.

#### **3.2 Issues**

As noted within the document, the control weaknesses are detailed in section 5.

#### **3.3 Choices (Options)**

N/A

### **4. Implications (including financial implications)**

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#### **4.1 Policy**

There are no direct implications in relation to the statement on internal control.

## **4.2 Resources and Risk**

The system on internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance.

## **4.3 Legal**

None

## **4.4 Equality**

N/A

## **4.5 Consultees (Internal and External)**

Management Board, Corporate Managers and Internal Audit.

## **4.6 How the Proposals deliver Priority Outcomes**

N/A

## **4.7 Other Implications**

None

## **5. Background Papers**

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### **5.1 Office working file including evidence**

**Gavin Chambers, Head of Finance and Assets. Ext. 7194**