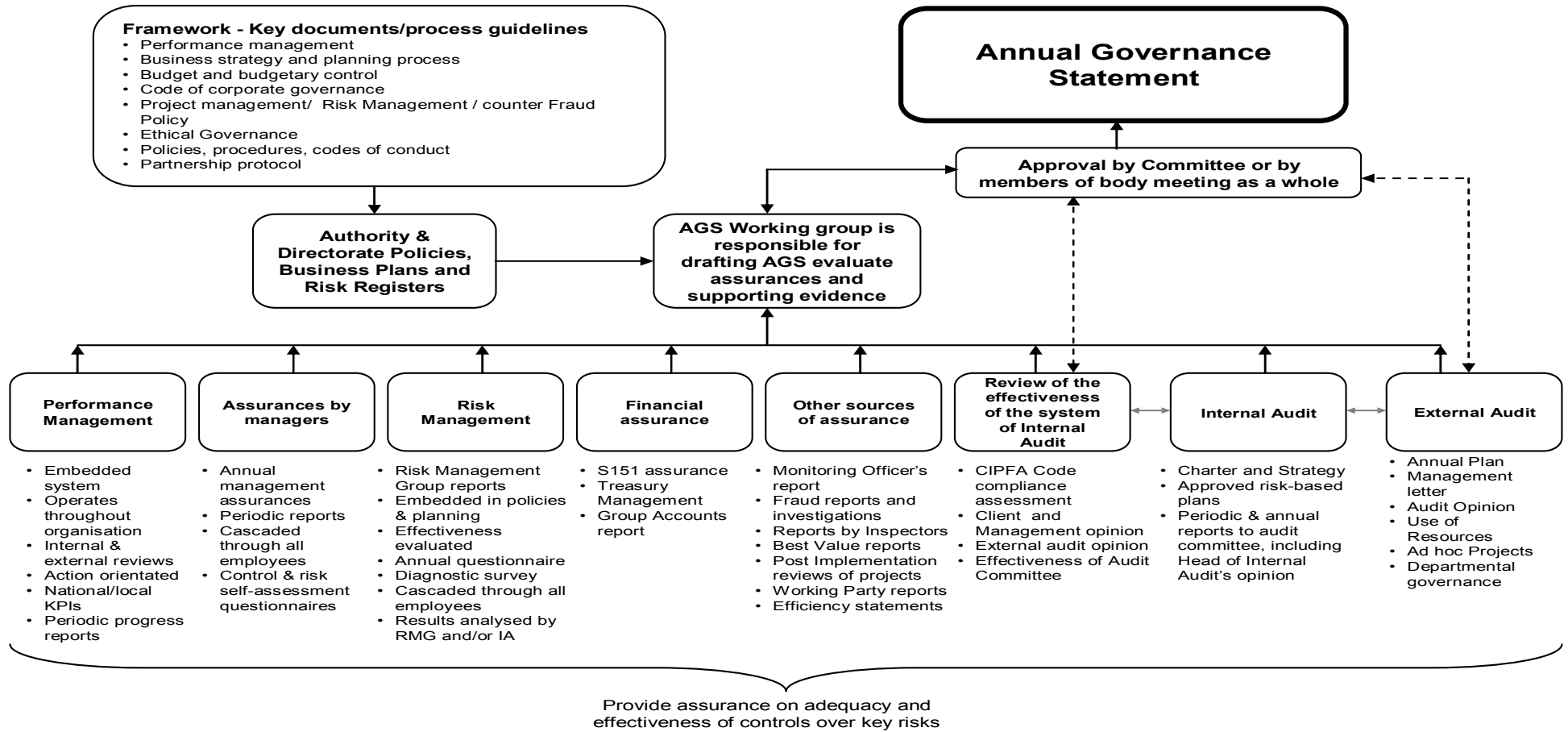


2009/10 Annual Governance Statement

- 1.1 From 2007/08, Local Authorities are required to produce an Annual Governance Statement (AGS).
- 1.2 The AGS states whether the Governance arrangements in the organisation are effective and that any of areas of concern have been identified. An action plan should be put in place to address the areas of concern identified.
- 1.3 The most senior officer and the most senior member have joint responsibility as signatories for its accuracy and completeness.
- 1.4 The 2008/09 AGS was signed by the Leader of the Council and the Chief Executive in June 2009.
- 1.5 The 2008/09 AGS identified six areas of concern as follows;
 - a) Project Management
 - b) Partnerships and governance arrangements
 - c) Harmonisation/ Staffing Issues
 - d) Community Cohesion
 - e) Business Continuity
 - f) Impact of world Economic climate
- 1.6 Actions have been identified to address these areas of concern and the 2008/09 Annual Governance Statement is attached.
- 1.7 Risk management features strongly in the AGS process. It supports the coordinating role of the corporate group by advising on risks to achieving corporate objectives and statutory requirements, which are set out in corporate, directorate and departmental risk registers, and how they are managed.
- 1.8 In line with previous years an overview of the AGS methodology is provided for members
 - Appendix 1 - One page overview
 - Appendix 2 – Diagrammatic representation of the AGS methodology
 - Appendix 3 – Timetable for AGS methodology
 - Appendix 4 – Directors Assurance Statement
 - Appendix 5 – 2008/09 Annual Governance Statement approved at full Council

**THE ANNUAL GOVERNANCE STATEMENT
AN OVERVIEW**

1. From 2007/08, Local Authorities need to produce an Annual Governance Statement (AGS). This replaces the Statement on Internal Control (SIC).
2. The Annual Governance Statement (AGS) is a key corporate document. The most senior officer and the most senior member have joint responsibility as signatories for its accuracy and completeness.
3. The AGS should be approved at a meeting of the authority or delegated committee.
4. As a corporate document the AGS should be owned by all senior officers and members of the authority.
5. The signatories need to ensure that the AGS accurately reflects the governance framework for which they are responsible. In order to achieve this they are likely to rely on many sources of assurance, such as:
 - directors and managers;
 - the responsible financial officer;
 - the monitoring officer;
 - members;
 - the Head of Internal Audit;
 - performance and risk management
 - third-parties, e.g. partnerships;
 - external audit and other review agencies.
6. The statement should be continuously reviewed throughout the year, however, in practice, authorities with well-developed arrangements will find that it will emerge from the routine governance and managerial processes (which necessarily operate continuously).
7. Risk management should feature strongly in the AGS process. It should support the co-ordinating role of the corporate group by advising on risks to achieving corporate objectives and statutory requirements, which are set out in corporate, directorate and departmental risk registers, and how they are managed.
8. The Head of Internal Audit should provide a written annual report to those charged with governance timed to support the Annual Governance Statement. The review of the effectiveness of the system of internal audit helps to ensure that the opinion in the annual report of the Head of Internal Audit may be relied upon as a key source of evidence in the AGS.



APPENDIX 3**Timetable for Annual Governance Statement 2009/10**

Date	Action	Responsibility	Notes
11/01/2010	Initial meeting to discuss AGS methodology	JE/AN/SQ/SP	Update methodology and agree Terms of Reference
January	First meeting of AGS working group	Head Of Audit	Strategic Director of Resources, Deputy Director of Finance, Monitoring Officer and Head of Audit
January	Circulate self-certification checklists to managers	Head Of Audit	Managers can ask for clarification of requirements for the AGS process
February	Managers begin to assemble and index evidence to support their declarations to directors	All Senior Managers	Managers have been provided with examples of the evidence required to support their declarations
Late March	Managers complete self-certification forms, raise issues with directors and formulate action plans	All Senior Managers	Managers must ensure that their most serious concerns are fully shared with their directors
April	Directors complete assurance statements	All Directors	Returns submitted to Monitoring Officer
April	Assemble other evidence of control from various sources	AGS Working Group	The Group as a whole must take responsibility for bringing it together
May	Prepare framework AGS: sketch in likely issues and feed back to directors	AGS Working Group	This will help ensure that directors' declarations are complete and evidenced
May	Annual Head of Audit opinion	Head Of Audit	Based on audit work and discussions with officers
May	Corporate Management Team review AGS, and take full ownership for it	CMT	There must be a strong sense of corporate ownership
May	Officers and nominated members meet to discuss draft AGS	Strategic Director of Resources	Officer and member meeting prior to AGS presentation at Audit Committee
May	Submit draft AGS to Audit Commission for discussion alongside accounts	Strategic Director of Resources	
17/06/2010	Draft AGS to Audit Committee	Head Of Audit	For Audit Committee to discuss and comment
June 2010	Sign AGS	Chief Exec and Lead Member	Challenge and sign off by Chief Exec and Lead Member
29 June	Approval at Cabinet and Full Council		There must be a strong sense of corporate ownership

The Annual Governance Statement

The Accounts and Audit Regulations 2006 require the Council to include an Annual Governance Statement, (AGS), on the systems on internal control with the final accounts.

The statement is a public assurance that the Council has sound systems of internal control, which help manage and control business risk. It is an important public expression of what the Council has done to ensure good business practice, high standards of conduct and sound governance.

Each director must complete, certify and return a statement of their directorate's current position, using the model format below.

Directors should utilise subsidiary statements from their direct reports.

Any system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or will be detected in a timely way.

Therefore, please complete the statement 'to the best of your knowledge' – it's particularly important that you bring out the matters that are currently causing you concern.

Assistant Directors should send a hard copy of their signed statements to their Director.

Directors should send a hard copy of their signed statement to the Borough Secretary and Solicitor by the end of April 2010.

We suggest that you also keep a copy of your statement, cross-referenced to the sources of evidence you are relying on.

It is likely that external audit will want to trace your assurance back to the source data.

If you have any queries, please contact Steven Quayle (ext. 5004).

Annual Governance Statement 2009-10

1 Corporate responsibilities

This statement relates to the Council's 2009-10 financial year.

I acknowledge my responsibility in maintaining and operating the Service in accordance with the Council's procedures and practices that uphold the internal control and assurance framework.

The information I have provided in this section is given to the best of my knowledge in connection with the service areas I am responsible for. Where I cannot give full assurance of control, I have given details in the "Summary of Evidence" column.

Ref.	Area of responsibility	Confirmed (yes/no)	Summary of evidence, and planned corrective action, if required
1.1	<p>I confirm that:</p> <ul style="list-style-type: none"> ▪ key system controls operate to safeguard Council assets from error or irregularity (Does your departments key systems help ensure that the Council's assets such as buildings, money, and vehicles are secure and are protected from theft, damage or subject to fraudulent misuse?) ▪ I keep the key controls under review, and where any weaknesses are I take action to remedy the issues and inform appropriate officers where required. 		
1.2	<p>I confirm that:</p> <ul style="list-style-type: none"> ▪ I deploy all the resources at my disposal to achieve Council business objectives ▪ I review the use of resources. ▪ I take action to address ineffective, inefficient and uneconomic use where I find them 		

Ref.	Area of responsibility	Confirmed (yes/no)	Summary of evidence, and planned corrective action, if required
1.3	<p>My service plan contributes to the Council's wider business priorities and reflects existing policies and strategies. This is demonstrated by:</p> <ul style="list-style-type: none"> ▪ key performance indicators ▪ budget-setting and resource allocation ▪ identifiable improvements in service, including achievement of explicit outputs and milestones ▪ action plans to support achievement of objectives; further improvements in service delivery; and to overcome service delivery and performance failures. 		
1.4	<p>Business risk management:</p> <ul style="list-style-type: none"> ▪ I seek to identify, assess and keep under review business risks ▪ I take action to manage business risks ▪ I have a risk register to assist with the above in connection with the services and activities that I am responsible for. 		
1.5	<p>I ensure that both my staff and I have access to, and are familiar with and work in accordance with the following guidance, and that I take action where I identify non-compliance:</p> <ul style="list-style-type: none"> ▪ financial regulations and delegation arrangements ▪ contract procedure rules ▪ officer code of conduct ▪ protocols on member/officer relations ▪ policies on fraud, corruption and whistle blowing. 		

Ref.	Area of responsibility	Confirmed (yes/no)	Summary of evidence, and planned corrective action, if required
1.6	<p>I ensure that my decisions and service activity have due regard for:</p> <ul style="list-style-type: none"> ▪ the Council's business objectives ▪ business risk ▪ best value and service improvement ▪ financial consequences ▪ staffing implications ▪ sustainable development ▪ legality ▪ equality and diversity and community safety ▪ health improvement ▪ property implications ▪ business continuity ▪ crime and disorder (section 17) concerns. 		

2 Accounts - financial and legal implications

This statement relates to the Council's 2009-10 financial year.

I acknowledge my responsibility in maintaining and operating the Service in accordance with the Council's procedures and practices that uphold the internal control and assurance framework.

The information I have provided in this section is given to the best of my knowledge in connection with the service areas I am responsible for.

I have made appropriate enquiries of other Council officers, and referred to information systems and records, and can confirm the following statements. Where I cannot give full assurance, I have given further information in the "Summary of evidence" column.

Ref.	Accounts – financial and legal implications	Confirmed (yes/no)	Summary of evidence, and planned action, if required
2.1	Are there any contingent liabilities ¹ that are likely to have a significant effect on the finance or operations of the Council?		
2.2	Are there any instances of non-compliance with laws or regulations that are likely to significantly affect the Council's finance or operations?		
2.3	Are there any post-balance sheet events ² likely to significantly affect the Council's finance or operations?		
2.4	Are there any pending claims, proceedings or litigation likely to significantly affect the Council's finance or operations? (record your departments potential costs even if the issue is being dealt with on your behalf by another department.)		

¹ A "contingent liability" is a possible obligation arising from past events at the balance sheet date (31st March 2010). Its existence will only be confirmed by future events which may not be within the Council's control

² A "post-balance sheet event" occurs between the balance sheet date (31st March 2010) and the date the Council approves the financial statements.

Ref.	Accounts – financial and legal implications	Confirmed (yes/no)	Summary of evidence, and planned action, if required
2.5	Are there any other significant transactions with related parties other than those already disclosed?		
2.6	Are there any instances of known error, irregularity, including fraud, which are likely to have a significant effect on the finance or operations of the Council?		
2.7	All disposals of fixed assets during the year have been recorded in the financial statements, (if not please give details in “summary of evidence” column)		
2.8	All impairments to fixed assets have been identified and accounted for in compliance with FRS11 ³ (see note 3)		

Certified by: (Please note a signature is required)	
Director of:	Date:

³ FRS11's objectives are:

- fixed assets and goodwill are recorded in the financial statements at no more than their recoverable amount
- any resulting impairment loss is measured and recognised on a consistent basis
- sufficient information is disclosed to enable users of the financial statements to understand the impact of the impairment on the Council's financial position and performance.