

**CABINET  
31ST JULY 2012**

**DIRECTORATE OF RESOURCES  
DIRECTOR OF RESOURCES  
REPORT NO. DOR1204**

**ANNUAL GOVERNANCE STATEMENT 2011/12**

**1 Purpose**

This report proposes the approval of the Council's Annual Governance Statement for the year 2011/12 which was considered and approved by the Standards and Audit Committee on 2<sup>nd</sup> July 2012, and is to be signed by the Leader of the Council and Chief Executive.

**2 Background**

2.1 The Accounts and Audit Regulations 2011 introduced the requirement for local authorities to:

- Conduct at least annually a review of the effectiveness of its system of internal control
- Prepare an Annual Governance Statement
- Publish the Annual Governance Statement with the Statements of Accounts

2.2 The Regulations require councils to ensure that their financial management is adequate and effective and there is a sound system of internal control. This facilitates the effective exercise of the Council's functions, including the management of risk and review of performance management.

The system of internal control includes more than just the financial aspects of the Council's business. It includes matters such as the establishment and monitoring of objectives, the arrangements for decision-making and ensuring compliance with established policies.

2.3 The Statement of Accounts was certified by the Chief Financial Officer on 30<sup>th</sup> June 2012 and will be considered by the Licensing and General Purposes Committee on the 24<sup>th</sup> September 2012. The Council is required to publish the Statement of Accounts, and consequently the Annual Governance Statement, no later than 30<sup>th</sup> September 2012.

### **3 Proposed Annual Governance Statement**

- 3.1 CIPFA has produced guidance and a proforma statement, which has been used to develop the Council's Annual Governance Statement. The Statement is required to include notification of any significant internal control issues and an action plan to address them. No significant issues have been identified. A number of actions were identified last year and have been reviewed. Further actions for the current year are also identified and will be addressed during the year.

### **4 Recommendation**

The Standards and Audit Committee recommend the Annual Governance Statement (attached as Appendix 1) to the Cabinet for:

- (i) adoption; and
- (ii) to be published alongside the Council's Statement of Accounts.

**Peter Gardner**  
**Director of Resources**