

DECISION-MAKER:	GOVERNANCE COMMITTEE
SUBJECT:	ANNUAL GOVERNANCE STATEMENT 2011-12 AND REVIEW OF 2010-11 ANNUAL GOVERNANCE STATEMENT
DATE OF DECISION:	25 SEPTEMBER 2012
REPORT OF:	HEAD OF FINANCE AND IT
STATEMENT OF CONFIDENTIALITY	
Not applicable	

BRIEF SUMMARY

In accordance with the Accounts and Audit Regulations the Council is required to develop and publish an Annual Governance Statement ('AGS'). The AGS is a key corporate document that is intended to provide an accurate representation of the corporate governance arrangements in place during the year and to highlight any gaps or weaknesses in the current arrangements.

An important part of the process is for the Governance Committee to review and approve the draft AGS prior to the document being presented to the Chief Executive and Leader of the Council for signing.

RECOMMENDATIONS:

- (i) Review the draft AGS (Appendix 1) and to be satisfied that the statement is meaningful and that the system of internal control has operated effectively throughout the reporting period;
- (ii) Note the status of the 2010-11 AGS Action Plan.

REASONS FOR REPORT RECOMMENDATIONS

- 1 The Governance Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.

DETAIL (Including consultation carried out)

- 2 Regulation 4 (2) of the Accounts and Audit Regulations (England) 2011, requires local authorities to 'conduct a review at least once a year of the effectiveness of its system of internal control' and 'to prepare a statement on internal control in accordance with proper practices'.
- 3 The purpose of the AGS is to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight those areas where there are significant gaps or where improvements are required.
- 4 The review of the effectiveness of the Council's overall corporate governance arrangements requires the sources of assurance, which the council relies on, to be brought together and reviewed with any significant gaps in assurance or areas for improvement being recorded and disclosed within the AGS.

- 5 Assurance on the adequacy and effectiveness of the governance framework is sought from a range of sources including Internal Audit, External Audit, Risk Management, Legal and Regulatory Assurance, assurances provided by Directors (via Self Assessment Statements), and external inspection or review and reports. The foregoing sources of assurance are underpinned by a range of corporate policies and procedures.
- 6 A 'Controls Assurance Management Group' comprising the Section 151 Officer, Monitoring Officer, Head of Corporate Policy and Performance, Chief Internal Auditor and the Chair of the Governance Committee (formerly Audit Committee) is responsible for drawing together, evaluating and, where necessary, challenging the sources of assurance and supporting evidence in addition to drafting the AGS. This group also has responsibility to monitor and review progress of any agreed actions arising from the AGS throughout the year.
- 7 The draft AGS was referred to the Management Board of Directors on 4th September for review and comment.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 8 No alternative options have been considered.

RESOURCE IMPLICATIONS

Capital/Revenue

- 9 NONE

Property/Other

- 10 NONE

LEGAL IMPLICATIONS

Statutory Power to undertake the proposals in the report:

- 11 The Audit Commission Act 1998 and the Accounts and Audit (England) Regulations 2011 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

Other Legal Implications:

- 12 NONE

POLICY FRAMEWORK IMPLICATIONS

- 13 NONE

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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Draft Annual Governance Statement 2011-12
2.	2010-11 Annual Governance Statement – Action Plan

Documents In Members' Rooms

1.	N/A
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Integrated Impact Assessment

Do the implications/subject/recommendations in the report require an Integrated Impact Assessment to be carried out.	No
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Other Background Documents

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	N/A	
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Integrated Impact Assessment and Other Background documents available for inspection at:

WARDS/COMMUNITIES AFFECTED:	N/A
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