

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE		
<b>SUBJECT:</b>	ANNUAL GOVERNANCE STATEMENT		
<b>DATE OF DECISION:</b>	5 FEBRUARY 2013		
<b>REPORT OF:</b>	HEAD OF FINANCE AND IT		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>
None

### **BRIEF SUMMARY**

The Annual Governance Statement ('AGS') is a key corporate document that is intended to provide an accurate representation of the corporate governance arrangements that were in place during the year and to highlight any significant gaps or areas where improvements are required. The production of an AGS is a mandatory requirement under Accounts and Audit (England) Regulations 2011.

### **RECOMMENDATIONS**

The Governance Committee is asked to:

- (i) Note and approve the assurance gathering process to support the development of the 2012-13 Annual Governance Statement (Appendix 1); and
- (ii) Note the content of the AGS 2011-12 Action Plan - Status Report (Appendix 2).

### **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.
2. This responsibility extends to receiving, reviewing and approving the draft AGS prior to the document being signed by both the Chief Executive and Leader of the Council.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. No alternative options have been considered

## **DETAIL (Including consultation carried out)**

4. Regulation 4(3) of the Accounts and Audit (England) Regulations 2011 requires that the relevant body must 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.
5. The AGS, which is published with the statement of accounts, is intended to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight any significant gaps or areas where improvements are required.
6. The AGS is produced following a review of the Council's governance arrangements. The review requires the systems and processes that comprise the Council's Code of Corporate Governance to be brought together and reviewed.
7. An overall Assurance Framework document is completed and in addition, each Director is required to complete an 'Annual Governance - Self Assessment Statement'. Both the documents cover the key processes and systems that comprise the Council's governance arrangements and are intended to identify any areas where improvement or further development is required.
8. The 'assurance gathering process' is based on CIPFA /SOLACE guidance. No significant changes are proposed on the basis that the current process is considered to be robust, noting that the Audit Commission's 'Annual Governance Report 2011-12' states that:  

"I have reviewed the Annual Governance Statement and can confirm that:

  - it complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
  - it is consistent with other information that I am aware of from my audit of the financial statements".
9. The AGS is developed by a 'Controls Assurance Management Group' (including the Section 151 Officer, Chair of the Governance Committee, Monitoring Officer and Chief Internal Auditor) that has responsibility for evaluating assurances and supporting evidence and for drafting the AGS.
10. The draft AGS will be presented to the Governance Committee for review and approval prior to being forwarded to the Chief Executive and Leader of the Council for signing.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

11. None

### **Property/Other**

12. None

## LEGAL IMPLICATIONS

### Statutory power to undertake proposals in the report:

13. 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:

14. None

## POLICY FRAMEWORK IMPLICATIONS

15. None

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	None
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## SUPPORTING DOCUMENTATION

### Appendices

1.	AGS 2012-13 – Process and timelines
2.	AGS 2011-12 Action Plan - Status Report

### Documents In Members' Rooms

1.	None
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### Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes/No
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### Other Background Documents

#### Equality Impact Assessment and Other Background documents available for inspection at:

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.	None	
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