

BRECKLAND COUNCIL

Report of the Head of Finance to the Audit Committee – 11th June 2010

Annual Governance Statement

1. Purpose of Report

- 1.1 To inform Members of action taken to develop and comply with a local code on corporate governance and seek approval for the annual governance statement for inclusion into the Council's published financial accounts for 2009/10.

2. Recommendations

It is recommended that the Committee:

- 2.1 Notes the self assessment review.
2.2 Approves the Annual Governance Statement

Note: In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

3. Information, Issues and Options

3.1 Background

- 3.1.1 Under the Council's constitution this committee is responsible for overseeing the Council's work around corporate governance. In 2007/08 the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) revised the approach to corporate governance and published a new framework for good governance. Breckland adopted a new Code of Governance in accordance with the six core principles set out in the framework.
- 3.1.2 Councils have a responsibility for reviewing the effectiveness of their governance arrangements, with the review informing the Annual Governance Statement. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report (which is reported separately to this Committee), and also by comments made by the external auditors and other review agencies and inspectorates

3.2 Compliance with the Code of Governance

- 3.2.1 The CIPFA/SOLACE guidance sets out a framework which highlighted key documents and practices that it expects councils to have in place in order to demonstrate sound governance arrangements. Appendix A sets out the 6 core principles together with the requirements and recommended practice examples shown in the guidance, along with the arrangements that Breckland has in place. This document and supporting evidence has been reviewed by internal audit as part of a review of corporate governance and risk arrangements. Committee should note that Internal Audit has given a good assurance opinion on this report. The Head of Internal Audit has reported on the overall standards of internal control and the governance and risk arrangements, deeming the internal control to be adequate, and the governance and risk arrangements to be good.

3.2.2 Management team have regularly reviewed governance arrangements throughout the year, including risk management arrangements, service manager internal control assurance statements, finance and performance reports, as well as the Code of Governance annual assessment (Appendix A). A quarterly governance report has been introduced during the year which pulls together the fundamental elements of the authority's governance arrangements into a single report to ensure that the committees responsible for reviewing the Council's corporate management arrangements are kept well-informed. This has been presented to Corporate Management Team, Performance Clinic as well as Overview and Scrutiny Commission and Cabinet, with the risk management arrangements regularly forming part of the Audit Committee's agenda.

3.2.3 Committee are requested to review appendix A, in order to raise issues on any areas where they feel further work is required to improve governance arrangements or where they would like further explanation. If they feel it necessary they should highlight any significant weaknesses which require to be reported in the Annual Governance Statement (Appendix B).

3.3 Options

3.3.1 To approve the Annual Governance Statement, making suggestions for further improvements to arrangements

3.3.2 Not to approve the Annual Governance Statement

3.4 Reasons for Recommendation

3.4.1 To meet corporate governance best practice and statutory reporting requirements.

4. **Risk and Financial Implications**

4.1 Risk

4.1.1 I have completed the Risk Management questionnaire and can confirm that risk has been given careful consideration, and that there are no significant risks identified associated with the information in this report.

4.2 Financial

4.2.1 None

5. **Legal Implications**

5.1 Public Interest Disclosure Act 1998

6. **Other Implications**

a) Equalities: No - implicit within process

b) Section 17, Crime & Disorder Act 1998: None

c) Section 40, Natural Environment & Rural Communities Act 2006: None

d) Human Resources: None

e) Human Rights: None

f) Other: None

7. Alignment to Council Priorities

7.1 The nature of the governance framework covers the full range of council services and priorities

8. Ward/Community Affected

8.1 All

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Appendices attached to this report:

Appendix A – Self-assurance checklist and improvement plan

Appendix B – Annual Governance Statement