

**Cheltenham Borough Council  
Audit Committee – 22 June 2011  
Annual Governance Statement**

<b>Accountable member</b>	<b>Councillor Colin Hay, Cabinet member corporate services</b>
<b>Accountable officer</b>	<b>Mark Sheldon, Director of Resources</b>
<b>Accountable scrutiny committee</b>	<b>Economy and Business Improvement</b>
<b>Ward(s) affected</b>	<b>None</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>The council has a statutory duty to prepare an Annual Governance Statement (AGS) (appendix 1) to be approved as part of the annual statement of accounts.</p> <p>The annual governance statement indicates how the council is complying with the code of corporate governance including the internal control arrangements and management of risk.</p> <p>The audit committee need to satisfy themselves that the AGS fairly reflects the arrangements within the council and that the suggested action plan will address the significant governance issues identified by the review.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. The audit committee approve the annual governance statement and recommend it is adopted as part of the statement of accounts, and</li> <li>2. recommend to the leader and Chief Executive officer that they sign the annual governance statement, and</li> <li>3. request an update report in December on progress against the actions.</li> </ol>
<b>Financial implications</b>	<p>none arising from this report</p> <p><b>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</b></p>
<b>Legal implications</b>	<p>There are no direct legal implications arising from this report</p> <p><b>Contact officer: Shirin Wotherspoon,</b></p> <p><b>Email shirin.wotherspoon@teWKesbury.gov.uk</b></p> <p><b>Tel. no; 01684 272017</b></p>

<b>HR implications (including learning and organisational development)</b>	The governance arrangements help to ensure that any human resources issues/risks are identified and addressed, there are no specific additional human resources issues arising from this report.  <b>Contact officer: Amanda Attfield, amanda.attfield@cheltenham.gov.uk, 01242 264186</b>
<b>Key risks</b>	None arising out of this report
<b>Corporate and community plan Implications</b>	Good governance helps to deliver the councils aspirations to be an excellent, efficient and sustainable council. It also ensures that risks are identified and managed to protect its assets and workforce.
<b>Environmental and climate change implications</b>	None

## 1. Background

- 1.1 The Accounts and Audit (England) Regulations 2011 regulation 4(2) requires council's to conduct an annual review of the effectiveness of its system of internal control including the arrangements for the management of risk.
- 1.2 Each March, assurance statements and evidence tables are issued to the Directors for completion. The evidence tables act as internal control checklists which confirm/review the existence and adequacy of governance and control arrangements, and any significant absence of, or weakness in, the control. The areas covered by the checklist are not exhaustive and any other significant weaknesses must be reported in the Certificate of Assurance. Directors have the responsibility for the completion of the Certificates, which are signed off by them.
- 1.3 Once complete, the evidence tables and the Certificates are reviewed by the Director of Resources, Head of Internal Audit and Policy Officer (Governance) to identify any governance or control improvements which should be included in the action plan for the forthcoming year. They also draw on evidence from internal and external audit reports, and other relevant evidence. The annual governance statement is considered by the Senior Leadership Team and the corporate governance group before it is submitted to this committee ahead of its consideration by Council (29<sup>th</sup> September) for approval as part of the Statement of Accounts.
- 1.4 The process has identified a number of control issues, and these are highlighted in the annual governance statement. Officers will work with the respective Directors to produce an action plan with key milestones which address these issues. The corporate governance group will monitor progress and will report back to the audit committee.

## 2. Reasons for recommendations

- 2.1 The Annual Governance Statement will form part of the audited statement of accounts which will be formally approved by the Audit Committee on 21<sup>st</sup> September 2011 and the outcome of the audit of the accounts and the audit committee meeting will be verbally reported to council 29<sup>th</sup> September 2011. Suggestions for the action plan are sought to ensure that all of the Significant Issues have been identified

### **3. Alternative options considered**

3.1 None

### **4. Consultation and feedback**

4.1 The results of the annual assurance review have been considered by the Senior Leadership Team and the corporate governance group.

### **5. Performance management – monitoring and review**

5.1 A monitoring report will be brought to Audit Committee in January 2012.

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<b>Appendices</b>	1. Annual Governance Statement
<b>Background information</b>	None