

Cheltenham Borough Council
Audit Committee – 20 June 2012
Annual governance statement

Accountable member	Councillor Jon Walklett, Cabinet member corporate services.
Accountable officer	Mark Sheldon, Director of Resources.
Accountable scrutiny committee	Economy and Business Improvement.
Ward(s) affected	None.
Key Decision	No.
Executive summary	<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 AGS is for the period 1st April 2011 to 31st March 2012 and indicates how the council is complying with the local 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>
Recommendations	<ol style="list-style-type: none"> 1. The audit committee approve the AGS and recommend to council that it is adopted as part of the statement of accounts, and 2. Recommend to the Leader and Chief Executive officer that they sign the AGS, and 3. Request an update report in December on progress against the actions.

Financial implications	<p>None arising from this report.</p> <p>Contact officer: Mark Sheldon,</p> <p>Email; mark.sheldon@cheltenham.gov.uk, Tel; 01242 264123</p>
Legal implications	<p>Contact officer: , @tewkesbury.gov.uk, 01242</p>
HR implications (including learning and organisational development)	<p>As outlined in the body of appendix 1.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242</p>

Key risks	None arising out of this report
Corporate and community plan Implications	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.
Environmental and climate change implications	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, following the review; the Council must approve an annual governance statement.
- 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.
- 1.3 Once complete, the evidence tables and the Certificates are reviewed by the Director of Resources, Audit Partnership Manager and the Governance, Risk and Compliance officer 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 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 be reported to Council on the 25 June 2012 for formal approval and Audit Committee's opinion and 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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Appendices	1. Annual governance statement.
Background information	None.