

**Cheltenham Borough Council**  
**Audit Committee – 19<sup>th</sup> June 2013**  
**Annual Governance Statement**

<b>Accountable member</b>	<b>Cabinet Member Corporate Services – Councillor Jon Walklett</b>
<b>Accountable officer</b>	<b>Mark Sheldon - Director of Resources</b>
<b>Accountable scrutiny committee</b>	<b>Overview and Scrutiny</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 AGS is for the period 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013 and indicates how the Council is complying with its Code Of Corporate Governance including the internal control arrangements and management of risk.</p> <p>The Audit Committee needs to satisfy itself 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><b>1. The audit committee approve the AGS so that it is included within the statement of accounts, and</b></li> <li><b>2. recommend to the Leader and Chief Executive Officer that they sign the AGS, and</b></li> <li><b>3. request an update report in January 2014 on progress against the Significant Issues Action Plan.</b></li> </ol>
<b>Financial implications</b>	<p>None arising from this report.</p> <p><b>Contact officer: Mark Sheldon</b></p> <p><b>Email: <a href="mailto:mark.sheldon@cheltenham.gov.uk">mark.sheldon@cheltenham.gov.uk</a> Tel; 01242 264123</b></p>

<b>Legal implications</b>	<p>The Statutory context for the Annual governance Statement is as set out in the report there are no other legal implications arising from the recommendations</p> <p><b>Contact officer: Peter Lewis</b></p> <p><b>Email; Peter.lewis@teWKesbury.gov.uk</b></p> <p><b>Tel. 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>The HR/L&amp;OD team need to ensure that adequate training is provided to Members, Officers and employees on Corporate Governance to ensure compliance and embedding within the organisation.</p> <p><b>Contact officer: Donna Sheffield</b></p> <p><b>Email: donna.sheffield@cheltenham.gov.uk Tel: 01242 774972</b></p>
<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 requires council's to conduct an annual review of the effectiveness of their system of internal control, including the arrangements for the management of risk. Following the review the Council must approve an Annual Governance Statement (AGS).
- 1.2 A draft AGS for the 2012/13 financial year relating to the governance of the Council is attached at Appendix 1. It has been drawn up with regard to the Code of Practice on Local Authority Accounting in the UK: A Statement of Recommended Practice (SORP). It also has regard to guidance issued by CIPFA/SOLACE in its publication 'Delivering Good Governance in Local Government including its 2012 addendum' and the Council's Code of Corporate Governance.
- 1.3 Each March, assurance statements and evidence tables are issued to the Executive Directors and 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. Executive Directors and Directors have the responsibility for the completion of the Certificates.
- 1.4 The AGS is a statement regarding the review of governance that has taken place and a description of the governance frameworks that have been put in place such as the work of the Audit Committee,

- 1.5** Once complete, the evidence tables and the Certificates are reviewed by the Director of Resources, Audit Cotswolds Head of Internal Audit 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 AGS 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.
- 1.6** The process has identified a number of control issues, and these are highlighted in the AGS. 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 AGS will form part of the Annual Statement of Accounts that will be reported to Audit Committee for approval on the 25<sup>th</sup> September 2013

## **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 2014.

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