

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee
AUTHOR/S: Executive Director / Principal Solicitor

29th April 2009

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2008/09

Purpose

1. To consider a draft of the Annual Governance Statement to be included in the statement of accounts for the year ending 31st March 2009 for approval by the Corporate Governance Committee in June 2009.

Background

2. The requirement to publish an Annual Governance Statement (AGS) was introduced with effect from the 2007/2008 financial year. The AGS provides public assurance about the effectiveness of the Council's system of internal control and the Council's corporate governance arrangements and assurance framework.
3. The CIPFA/SOLACE governance framework "Delivering Good Governance in Local Government" brings together an underlying set of legislative requirements, governance principles and management processes and highlights the fact that good governance relates to the whole organisation. Six core principles of governance in the framework focus on the systems and processes for the direction and control of the Council and its activities through which it accounts and engages with the community.

Considerations

4. The functions of the Corporate Governance Committee include consideration of the AGS prior to its inclusion in the annual statement of accounts. The AGS should explain the governance framework operating during the accounting period, assess the effectiveness of those controls and identify any significant issues and associated actions.
5. The draft AGS is attached at Appendix A. There is no standard wording for explaining governance arrangements and the review of their effectiveness; rather a good governance statement will be an open and honest self assessment of the Council's performance across all of its activities, with a clear statement of the actions being taken or required to address areas of concern. Internal audit have assisted officers in the preparation of the AGS by gathering assurances against the six core principles of governance. Officers across the Council have also provided evidence of assurances by self assessment against the Local Code of Governance.
6. From the work done throughout 2008/2009 Internal Audit draw a reasonable conclusion on the adequacy and effectiveness of South Cambridgeshire District Council's arrangements for governance, risk management and control.

7. Internal Audit in a review of governance arrangements in 2008/2009 found 'substantial assurance' that controls upon which the Council relies to manage these risks are effective. This level of assurance is defined by Internal Audit as meaning that there is a robust framework of controls to ensure that objectives are likely to be met; and that controls are applied continuously or with minor lapses.
8. One significant governance issues has been identified in the AGS. The issue of performance management is on-going from the previous year's AGS and the Corporate Governance re-inspection. The issue of risk management is picked up from the action plan arising from the risk maturity review referred to in the draft AGS as an area for further improvement. Internal Control is an area where positive assurance levels have been reported and plans are in place to implement recommendations in 2009/2010. Accordingly, no mention is made in the AGS.

Implications

9. Financial	None
Legal	It is a statutory requirement to produce an Annual Governance Statement
Staffing	None
Risk Management	Failure to produce an Annual Governance Statement would affect the approval of the statement of accounts and the use of resources assessment.
Equal Opportunities	None

Effect on Strategic Aims

10.	<p>Commitment to being a listening council, providing first class services accessible to all. The Annual Governance Statement covers the whole range of Council activities and the way in which it implements its policies and values reflecting the strategic aims of the authority</p>
	<p>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all. The Annual Governance Statement covers the whole range of Council activities and the way in which it implements its policies and values reflecting the strategic aims of the authority</p>
	<p>Commitment to making South Cambridgeshire a place in which residents can feel proud to live. The Annual Governance Statement covers the whole range of Council activities and the way in which it implements its policies and values reflecting the strategic aims of the authority</p>
	<p>Commitment to assisting provision for local jobs for all. The Annual Governance Statement covers the whole range of Council activities and the way in which it implements its policies and values reflecting the strategic aims of the authority</p>
	<p>Commitment to providing a voice for rural life.</p>

The Annual Governance Statement covers the whole range of Council activities and the way in which it implements its policies and values reflecting the strategic aims of the authority

Recommendations

11. The Corporate Governance Committee is requested to consider and comment on the draft Annual Governance Statement, and to note that the final version of the Statement will be updated, if appropriate, between the date of the April meeting and the approval of the final accounts.
12. The Corporate Governance Committee is asked to note the progress made to address the significant governance issues identified in the Annual Governance Statement for 2007/2008.

Background Papers: the following background papers were used in the preparation of this report:

Annual Governance Statement 2007/2008
Delivering Good Governance in Local Government – Guidance and Framework published by CIPFA 2007
External Partnerships Review report to EMT 28th May 2008
Partnership Toolkit report to EMT 28th May 2008
Register of Significant Partnerships report to EMT 25th June 2008
Partnerships Governance Arrangements (LSP) report to Corporate Governance Committee 30th June 2008

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