

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee 31st March 2010
AUTHOR/S: Executive Director (Corporate Services)/ Acting Legal and Democratic Services Manager

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2009/10

Purpose

1. To consider and approve the draft Annual Governance Statement 2009/10 prior to the statement being signed by the Leader and Chief Executive and being included in the statement of accounts for the year ending 31st March 2010.

Background

2. The requirement to publish an Annual Governance Statement ("the AGS") is a statutory requirement which 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 2009/2010 Internal Audit has concluded that the council has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

7. Internal Audit reviewed the Council's risk management policy, Risk Register and the embedding of Risk Management and undertook a review of the Council's risk maturity and concluded that the Council is a "Risk Managed" organisation. This, the second-highest rating achievable, is defined as the council having an "enterprise-wide risk management approach considering risk at highest level but could be further embedded in decision making".
8. No "significant" governance issues have been identified in this year's AGS. The only significant issue which was identified in the 2008/09 AGS, a recommendation to ensure the implementation of the CORVU system, has been implemented. Four issues have been identified as meriting attention to further strengthen effective corporate governance at the Council, and are set out in the table at Section 6 of the report.

Implications

9. Financial	Good corporate governance and internal controls reduce the risk to the Council of financial loss.
Legal	It is a statutory requirement to produce an Annual Governance Statement under the Accounts and Audit (Amendment) (England) Regulations 2006 and the Statement of Reporting Practice 2007 (CIPFA). Operating good corporate governance and internal control systems should demonstrate high ethical standards.
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

Consultations

10. The Senior Management Team, relevant members of the Executive Management Team, other senior officers and Internal Audit were consulted as part of the preparation of this report.

Effect on Strategic Aims

11.	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.
	Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.
	See above
	Commitment to making South Cambridgeshire a place in which residents can feel proud to live.
	See above
	Commitment to assisting provision for local jobs for all.
	See above
	Commitment to providing a voice for rural life.
	See above

Recommendations

12. The Corporate Governance Committee is requested to consider and approve the draft Annual Governance Statement and note the information which supports the report.
13. The Corporate Governance Committee is asked to note that the final version of the Statement will be updated, if appropriate, following the receipt of comments from the Committee, between the date of the 31st March meeting and the approval of the final accounts.
14. The Corporate Governance Committee is asked to note the progress made to address the significant governance issues identified in the Annual Governance Statement for 2008/2009.

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

Annual Governance Statement 2008/2009

Delivering Good Governance in Local Government – Guidance and Framework
published by CIPFA 2007

Internal Audit Annual Report Year ended 31 March 2010

ICT Review Internal Audit Report March 2010

Contact Officer: Fiona McMillan – Acting Legal and Democratic Services Manager
Telephone: (01954) 713027