

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Corporate Governance Committee 29<sup>th</sup> June 2012  
**AUTHOR/S:** Executive Director (Corporate Services)/ Legal and Democratic Services Manager

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### SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2011/12

#### **Purpose**

1. To consider and approve the draft Annual Governance Statement 2011/12 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 2012.

#### **Recommendations**

2. The Corporate Governance Committee is requested to consider and approve the draft Annual Governance Statement and note the information which supports the report.
3. The Corporate Governance Committee is asked to note that the final version of the Statement will be updated following the receipt of the External Auditors Opinion.
4. The Corporate Governance Committee is asked to note the progress made to address the governance issues identified in the Annual Governance Statement for 2010/2011.

#### **Background**

5. 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.
6. 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**

7. 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.

8. 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 has 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.
9. The draft AGS includes the Internal Audit opinion for 2011/12 that the council has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives. The AGS will be updated with the External Audit opinion when it is received.
10. No "significant" governance issues have been identified in this year's AGS. Three issues have been identified officers as meriting attention to further strengthen effective corporate governance at the Council which are set out in the table at Section 6 of the report.

### Implications

11. 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

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

### Effect on Strategic Aims

13.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>
	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.
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>
	See above
	<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>
	See above
	<b>Commitment to assisting provision for local jobs for all.</b>

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See above
<b>Commitment to providing a voice for rural life.</b>
See above

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

Annual Governance Statement 2010/2011  
Delivering Good Governance in Local Government – Guidance and Framework  
published by CIPFA 2007  
Annual Audit Letter 2010/11

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