

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee 24 April 2008
AUTHOR/S: Chief Executive / Corporate Manager, Finance and Support Services

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL'S ANNUAL GOVERNANCE STATEMENT

Purpose

1. To consider the Annual Governance Statement to be included in the statement of accounts for 2007/08.

Considerations

2. In previous years, the Corporate Governance Committee have considered the draft Statement of Internal Control prior to its inclusion in the statement of accounts. However, guidance from the CLG has meant that local authorities should now produce an Annual Governance Statement (AGS), which subsumes the previous Statement of Internal Control.
3. The functions of the Corporate Governance Committee include consideration of the draft AGS prior to its inclusion in the statement of accounts. The Statement should explain the governance framework operating during the accounting period, assess the effectiveness of those controls and identify any significant issues and associated actions.
4. The AGS is attached as Appendix A. The AGS spans the whole range of the Council's activities and is not restricted to financial controls. The information gathering process is:
 - i. establish principal statutory obligations and organisational objectives;
 - ii. apply the six CIPFA/SOLACE Core Principles;
 - iii. identify principal risks to achievement of objectives;
 - iv. identify and evaluate key controls to manage principal risks;
 - v. obtain assurances on effectiveness of key controls;
 - vi. evaluate assurances and identify gaps in controls/assurances;
 - vii. prepare action plan to address gaps and weaknesses;
 - viii. write draft Statement;
 - ix. report to Corporate Governance Committee; and
 - x. Statement to be signed by the Chief Executive and the Leader near the end of June 2008.
5. From the work undertaken in 2007/08, Internal Audit has provided satisfactory assurance that the internal controls are fundamentally sound and accord with proper practice. In addition, Internal Audit have gathered assurances against the six core principles and officers have also self assessed the Council against the Local Code of Governance.
6. Significant governance issues have been identified in the AGS. In deciding whether these issues are significant, the following factors have been taken into account:

- i. has the issue seriously prejudiced or prevented the achievement of a principal objective;
- ii. has the issue led to a material impact on the accounts;
- iii. has it been identified in the Corporate Governance Inspections;
- iv. has the Head of Internal Audit reported it as significant, or identified concerns through the assessment against the six core principles;
- v. has the self assessment against the local code of governance identified concerns;
- vi. has the issue attracted significant public interest or seriously damaged the reputation of the organisation; and
- vii. has the issue resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

Implications

7.	Financial	None
	Legal	It is a statutory requirement for the Council to produce an AGS.
	Staffing	None
	Risk Management	Not producing an AGS would impact the approval of the Council's Statement of Accounts and achieving a score of 3 in its Use of Resources assessment.
	Equal Opportunities	None

Effect on Annual Priorities and Corporate Objectives

8.	Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future
	Some of the issues identified in the AGS may affect the achievement of annual priorities and corporate objectives.
	Deliver high quality services that represent best value and are accessible to all our community
	Some of the issues identified in the AGS may affect the achievement of annual priorities and corporate objectives.
	Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work
	Some of the issues identified in the AGS may affect the achievement of annual priorities and corporate objectives.

Recommendations

- 9. The Corporate Governance Committee is requested to consider and comment on the draft AGS, and to note that the final AGS may have to be updated, to take account of any relevant events which take place between now and the date on which the AGS is signed by the Chief Executive and the Leader.

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

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