

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of meeting: 29th September 2011
Report of: Corporate Governance Group
Title: Annual Governance Statement (AGS) 2010/11
Portfolio Holder: Councillor Michael Jones (Resources)

1.0 Report Summary

- 1.1 The purpose of the report is for the Committee to approve the Annual Governance Statement 2010/11 for signature by the Leader of the Council and the Chief Executive. Once approved, the AGS will accompany the statement of accounts.

2.0 Recommendation

- 2.1 That the Committee approves the Annual Governance Statement.

3.0 Reasons for Recommendation

- 3.1 In accordance with the Accounts and Audit Regulations, the Annual Governance Statement should be approved by Members meeting as a whole of Committee at the same time as the statement of accounts is approved, i.e. by 30 September.

4.0 Wards Affected

- 4.1 All wards.

5.0 Local Wards Affected

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 None.

7.0 Financial Implications

- 7.1 No specific financial implications. The production of the AGS aligns with the production of the Annual Accounts and is published alongside the audited accounts (approved by end of September 2011).

8.0 Legal Implications

- 8.1 The production of the AGS is required by the Accounts and Audit Regulations.

9.0 Risk Assessment

- 9.1 The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 4 of the Accounts and Audit Regulations. Failure to do so could result in non-compliance with the requirements of the Regulations.

10.0 Background and Options

- 10.1 As previously reported to the Audit and Governance Committee, the Council is required to prepare and publish an Annual Governance Statement (AGS). This requirement was introduced by the revised CIPFA/SOLACE Good Governance Framework (Delivering Good Governance in Local Government) and is necessary to meet the statutory requirement set out in Regulation 4 of the Accounts and Audit Regulations.
- 10.2 The purpose of the AGS process is to provide a continuous review of the organisation's governance arrangements so as to give assurance on the effectiveness on the processes and/or to address identified weaknesses. This report and Appendix A are the results of that review.
- 10.3 The review of governance arrangements in place for 2010/11 has been informed by the work of Internal Audit and senior managers and also comments made by the External Auditors and other review agencies/inspectorates. The sources of assurance include:
- Directors and Managers assigned with the ownership of risks and delivery of services through the risk management process
 - The Section 151 Officer and the Monitoring Officer in meeting statutory responsibilities
 - Internal Audit, through the annual and interim reports
 - External Audit through reports
 - Outcomes from other review agencies and inspectorates

- Directors and Service Managers who independently sign off on the adequacy of controls within their service areas via disclosure statements
 - Designated officers who complete AGS self assessment questionnaires (in this way compliance with the Council's Code of Corporate Governance will be evidenced).
- 10.4 The AGS has been considered by the Corporate Management Team with work being co-ordinated by the Corporate Governance Group.
- 10.5 In order that Members may discharge their duties, the Committee has received reports, information and training throughout the period under review including:
- Internal Audit Annual Report for 2010/11
 - Interim update reports from Internal Audit
 - Update reports on Risk Management
 - A workshop that examines the draft AGS and supporting documentation.
- 10.6 The results of the review are attached as Appendix A.
- 10.7 Regular updates on progress on the AGS Action Plan will be brought to this Committee during 2011/12.

11.0 Access to information

The background papers relating to this report can be inspected by contacting the report writer:

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