

Process for compiling the Annual Governance Statement

AUDIT COMMITTEE

Date: 20th April 2010

Author: Head of Internal Audit

Wards Affected: None

Purpose

The purpose of the report is to provide Audit Committee with details of the proposed process for compiling the Annual Governance Statement for comment and approval. The Annual Governance Statement itself will come to the June meeting of this Committee for approval.

Recommendation

- It is recommended that the Audit Committee reviews and approves the process for compiling the Annual Governance Statement.

1 Reasons

- 1.1 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.
- 1.2 The Annual Governance Statement sets out the Council's governance arrangements and is therefore a key source of assurance for the Audit Committee.

2 Detail

- 2.1 The Annual Governance Statement (AGS) is a formal statement that recognises, records and publishes an authority's governance arrangements.
- 2.2 It is designed not only to give an opportunity for authorities to consider the robustness of their governance arrangements, but also provide an accurate representation of arrangements in place during the year and to identify areas where improvement is required.
- 2.3 Guidance issued by CIPFA regarding the statement also recommends that a suitable independent management group should review the content of the AGS. The Council's Audit Committee will undertake this role. The Chief Executive and the Leader of the Council will sign the statement once the Audit Committee has approved it.

Process for compiling the Annual Governance Statement

AUDIT COMMITTEE

Date: 20th April 2010

- 2.4 The Use of Resources key lines of enquiry require that the board or equivalent is responsible for ensuring an adequate system of internal control is in place, and for reviewing and reporting on the effectiveness at least annually in a governance statement (the AGS). The guidance states that the AGS should be an open and honest self-assessment of its performance across all of its activities. It should contain a clear statement of the actions taken, or required, to address areas of concern.
- 2.5 The process used last year, for the preparation of the Council's Annual Governance Statement, is set out in Appendix 1. The Committee is asked to review this process and recommend its adoption for the preparation of this year's statement.
- 2.6 In order to provide assurance all Group Directors and Directors were asked to complete an assurance statement (see Appendix 2). The statement covers a number of areas including: staff; internal control arrangements and fraud risk assessments.
- 2.7 The Committee is asked to review last year's questionnaire and recommend any changes they feel are required including the addition of any areas/questions that Group Directors and Directors should be asked to give assurance on.

Alternative Options

Not Applicable

Risk Management

Financial and Procurement Implications

There are no direct financial implications arising from this report however individual audit reports address the suitability of internal controls within the systems examined.

Legal/Human Rights Implications

Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2006. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

Effective systems of internal control within the Council will help to ensure that the objectives set out in the Corporate Plan and Swindon 2010 are achieved.

Process for compiling the Annual Governance Statement

AUDIT COMMITTEE

Date: 20th April 2010

Consultees:

The Director of Finance (Section 151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

Appendices / Background papers

Appendix 1 – Proposed process for compiling The Annual Governance Statement
2010/11

Appendix 2 – Directors' Assurance Questionnaire

Key Decision/Decision in Forward Plan

Not Applicable