

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE		
<b>SUBJECT:</b>	ANNUAL GOVERNANCE STATEMENT 2012-13 AND REVIEW OF 2011-12 ANNUAL GOVERNANCE STATEMENT		
<b>DATE OF DECISION:</b>	23 SEPTEMBER 2013		
<b>REPORT OF:</b>	HEAD OF FINANCE AND IT		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Peter Rogers	<b>Tel:</b> 023 8083 2835
	<b>E-mail:</b>	peter.rogers@southampton.gov.uk	
<b>Director</b>	<b>Name:</b>	Andy Lowe	<b>Tel:</b> 023 8083 2049
	<b>E-mail:</b>	andrew.lowe@southampton.gov.uk	

<b>STATEMENT OF CONFIDENTIALITY</b>
n/a

### **BRIEF SUMMARY**

In accordance with the Accounts and Audit Regulations the Council is required to develop and publish an Annual Governance Statement ('AGS'). The AGS is a key corporate document that is intended to provide an accurate representation of the corporate governance arrangements in place during the year and to highlight any gaps or weaknesses in the current arrangements.

An important part of the process is for the Governance Committee to review and approve the draft AGS prior to the document being presented to the Chief Executive and Leader of the Council for signing.

### **RECOMMENDATIONS**

- (i) To review the draft AGS 2012-13 (Appendix 1) and to be satisfied that the statement is meaningful and that the system of internal control has operated effectively throughout the reporting period;
- (ii) To note the status of the 2011-12 Action Plan (Appendix 2).

### **REASONS FOR REPORT RECOMMENDATIONS**

1. The Governance Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.
2. This responsibility extends to receiving, reviewing and approving the draft AGS prior to the document being signed by both the Chief Executive and Leader of the Council.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. No alternative options have been considered

### **DETAIL (Including consultation carried out)**

4. Regulation 4(3) of the Accounts and Audit (England) Regulations 2011 requires that the relevant body must conduct a review at least once a year of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices.
5. The purpose of the AGS, which is required to be published with the statement of accounts, is to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight those areas where there are significant gaps or where improvements are required.
6. The AGS is produced following a review of the council's governance arrangements. The review requires the systems and processes that comprise the council's Code of Corporate Governance to be brought together and reviewed.
7. An 'assurance gathering process', based on CIPFA /SOLACE guidance, is in place and comprises an 'Assurance Framework' document together with an 'Annual Governance - Self Assessment Statement' which is required to be completed by each Director. Both documents cover the key processes and systems that comprise the council's governance arrangements and are intended to identify any areas where improvement or further development is required.
8. The AGS is developed by a 'Controls Assurance Management Group' (comprising the Section 151 Officer, Chair of the Governance Committee, Monitoring Officer and Chief Internal Auditor) that has responsibility for evaluating assurances and supporting evidence and for drafting the AGS. This group also has responsibility to monitor and review progress of any agreed actions arising from the AGS throughout the year.
9. The draft AGS has been reviewed and commented on by the 'Council Management Team'.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

10. None

### **Property/Other**

11. None

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

12. The Accounts and Audit (England) Regulations 2011 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

**Other Legal Implications:**

13. None

**POLICY FRAMEWORK IMPLICATIONS**

14. None

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Draft AGS 2012-13
2.	AGS 2011-12 Action Plan - Status Report

**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes/No
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None.	
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