



ANNUAL GOVERNANCE STATEMENT 2010/11

SUMMARY

- 1.1 To present to Committee the Annual Governance Statement which has been produced following the completion of the annual review of the Council's governance arrangements.

RECOMMENDATIONS

- 2.1 To approve the Annual Governance Statement (AGS) to accompany the 2010/11 Statement of Accounts.
- 2.2. To request that the Leader of the Council and the Chief Executive sign the Annual Governance Statement.

REASONS FOR RECOMMENDATIONS

- 3.1 The Council has to publish an Annual Governance Statement to accompany the annual accounts.

SUPPORTING INFORMATION

- 4.1 When publishing its annual accounts, the Council is required by regulation 4 (3) of the Accounts and Audit (England) Regulations 2011 to consider and approve an annual governance statement ("AGS") that accompanies the annual accounts. The Statement (at Appendix 2) sets out the Council's responsibilities, the purpose of the governance framework, the governance environment, its effectiveness and any significant areas of weakness identified with proposed actions to address these.
- 4.2 The governance framework is designed to facilitate the achievement of the Council's policies, aims and objectives, identifying and managing any risk to a reasonable level. The governance framework is embedded within the Constitution and the systems, policies procedures and operations in place.
- 4.3 The preparation and publication of the AGS in accordance with the CIPFA/SOLACE "Delivering Good Governance in Local Government" framework is necessary to meet the statutory requirement.

- 4.4 The CIPFA/SOLACE framework sets out the 6 fundamental principles of corporate governance; these are:
1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
 3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 5. Developing the capacity and capability of members and officers to be effective
 6. Engaging with local people and other stakeholders to ensure robust accountability
- 4.5 The AGS has been structured around the 6 fundamental principles. The statement is produced following a review of the council's governance arrangements and includes an action plan to address any significant governance issues identified. The AGS explains the processes and procedures in place to enable the council to carry out its functions effectively. It is a formal statement that recognises, records and publishes an authority's governance arrangements as defined in the framework. The aim of the various elements of the framework is to ensure that:-
- The Council's policies are put into practice;
 - The organisation's values are met;
 - Laws and regulations are complied with;
 - Council processes are adhered to;
 - Financial statements and other published information are accurate and reliable; and
 - Human, financial and other resources are managed efficiently and effectively.
- 4.6 The review of the effectiveness of the governance environment is informed by a number of sources including the work of Internal Audit and the Head of Audit and Risk Management's Annual Audit Opinion (see separate report), External Audit and other external review bodies, the Governance Working Group, the Audit and Accounts Committee, the Standards Committee and the Scrutiny Commissions. The AGS is reviewed by Chief Officer Group.
- 4.7 The arrangements required for gathering assurances for the preparation of the annual governance statement provide an opportunity for the Council to consider the robustness of its governance arrangements.
- 4.8 At the centre of the review process for the governance framework within the Council, there is a corporate working group of officers who contribute to the drafting of the final document, evaluating assurances and the supporting evidence and whether or not there is consistency with existing policies and the authority's "assurance framework".

- 4.9 Assurances on the effectiveness of the governance framework are obtained throughout the year. This allows the Council to take any remedial action necessary at the earliest opportunity. The Governance Action Plan which was produced in March 2010 was based on a self-assessment of the Council's governance framework against the 6 principles of good governance. Progress on implementing the plan has slipped behind target dates and is a key delivery target for the Governance Working Group for 2011/12.
- 4.10 This year's AGS has been prepared in a very different environment compared to that prevailing at the time of the Council's last review of its governance arrangements in 2010. There have been some significant national policy changes, some of which are still being formulated, that will have a direct impact on our governance arrangements. By far the most significant change however arises from the financial settlement announced in December 2010. This has resulted in fundamental changes in the way in which the Council is organised and services are delivered. The impact of this process is still being felt within the Council following the large scale voluntary redundancy process in March 2011.
- 4.11 The Governance Working Group will be reviewing the processes for compiling the AGS over the next few months. The aim is to make sure that the assurance process is properly embedded throughout the Council and that the assessment of the governance framework is significantly robust. This work will be informed by the findings of a review on annual governance statements by our external auditor, Grant Thornton.

OTHER OPTIONS CONSIDERED

5.1 N/A

This report has been approved by the following officers:

Legal officer	n/a
Financial officer	n/a
Human Resources officer	n/a
Service Director(s)	n/a
Other(s)	Governance Working Group

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Annual Governance Statement 2010/11

IMPLICATIONS

Financial and Value for Money

1.1 None directly arising

Legal

2.1 As detailed in paragraph 4.1.

Personnel

3.1 None directly arising.

Equalities Impact

4.1 None directly arising.

Health and Safety

5.1 None directly arising.

Environmental Sustainability

6.1 None directly arising.

Asset Management

7.1 None directly arising.

Risk Management

8.1 Sound risk management practices are a key principle of good governance.

Corporate objectives and priorities for change

9.1 None directly arising.