

Subject:	Annual Governance Statement		
Date of Meeting:	26th June 2008		
Report of:	Director of Finance & Resources		
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Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The City Council has a statutory duty under the Accounts and Audit Regulations 2003 (amended 2006), to publish an Annual Governance Statement.
- 1.2 The purpose of this report is to present to Members of the Audit Committee for comment, challenge and approval the assessment of the City Council's corporate governance arrangements and Annual Governance Statement.

2. RECOMMENDATIONS:

- (1) Consider and approve the annual assessment of the City Council's corporate governance arrangements.
- (2) Consider and approve the Annual Governance Statement for inclusion with the Statement of Accounts.
- (3) Note the City Council's continuing improvements on governance arrangements.

3. BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Accounts and Audit Regulations 2003 (amended in 2006) introduced a requirement for local authorities to publish a statement on internal control as part of their annual statement of accounts. From 2007/08 this statutory duty has been superseded by the requirement to produce an Annual Governance Statement.
- 3.2 The City Council's Code of Corporate Governance (approved by Council in March 2008) provided the principles against which the effectiveness of the City Council's corporate governance arrangement is measured.

- 3.3 2007/08 is the first year that the Annual Governance Statement has been required. Members should note that the Chief Executive and Leader must sign the Statement which will be published with the Statement of Accounts.
- 3.4 Robust corporate governance arrangements are essential for the sound management of Brighton & Hove City Council and public confidence. It will also be an important factor in achieving a high score in the Comprehensive Performance Assessment (CPA) for the Use of Resources.
- 3.5 The review of corporate governance arrangements was carried out using guidance provided by the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE), to ensure it complies with best practice. Where applicable comparison was also made with corporate governance arrangements of other local authorities.
- 3.6 The Annual Governance Statement contains an action plan for where further improvements can be made to the City Council's governance arrangements. This together with previous actions reported and in progress, will be monitoring and progress reported to the Members of the Audit Committee.

4. CONSULTATION

- 4.1 Internal consultation has been carried out with relevant officers and in particular the Officers Governance Board.

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:

Sound corporate governance and proper systems of internal control are essential to the financial health and reputation of the council.

5.2 Legal Implications:

The production of the statement meets the requirements of the Accounts and Audit Regulations 2003 (Amended 2006) and Comprehensive Performance Assessment.

5.3 Equalities Implications:

There are no direct equalities implications arising directly from this report

5.4 Sustainability Implications:

There are no direct sustainability implications arising from this report.

5.5 Crime & Disorder Implications:

There no direct implications for the prevention of crime and disorder arising from this report.

5.6 Risk and Opportunity Management Implications:

The preparation of the Annual Governance Statement has been explicitly linked to the risk management framework of the City Council. One of three principles of good governance is “taking informed, transparent decisions and managing risk”.

5.7 Corporate / Citywide Implications:

Robust corporate governance arrangements are essential to the sound management of the City Council and the achievement of its objectives as set out in the Corporate Plan.

SUPPORTING DOCUMENTATION

Appendices:

1. Assessment of Corporate Governance Arrangements 2007/08
2. Annual Governance Statement 2007/08

Background Documents

1. Brighton & Hove City Council’s Code of Corporate Governance
2. CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2006
3. Accounts & Audit Regulations 2003 (Amended 2006)

