

# AUDIT COMMITTEE

## Agenda Item 11

Brighton & Hove City Council

**Subject:** Annual Governance Statement 2010/11  
**Date of Meeting:** 28<sup>th</sup> June 2011  
**Report of:** Director of Finance  
**Contact Officer:** Name: Ian Withers Tel: 29-1323  
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**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this report is to present the council's Annual Governance Statement 2010/11 for consideration and approval.
- 1.2 The Annual Governance Statement provides a comprehensive assessment of the governance arrangements and the internal control environment across all activities of the council. Once approved it will be signed by the Chief Executive and Leader.
- 1.3 The Statement will be published as a stand alone document. Also to comply with the Accounts & Audit Regulations 2011, the Annual Governance Statement will accompany the Statement of Accounts for the relevant year 2010/11.

#### 2. RECOMMENDATIONS:

- 2.1 Consider the Annual Governance Statement, comment accordingly and approve for publication.
- 2.2 Note in particular the actions to further improve governance arrangements. The Audit Committee will be updated during 2011/12 on the progress made.

#### 3. BACKGROUND INFORMATION:

- 3.1 The Accounts and Audit Regulations 2011 imposes a statutory requirement on all local authorities to conduct a review of the effectiveness of its governance arrangements and to publish the results in an Annual Governance Statement. The Annual Governance Statement is signed by the Leader and the Chief Executive.
- 3.2 The Annual Governance Statement must be prepared in accordance with the Accounts & Audit Regulations and the CIPFA/SOLACE framework '*Delivering Good Governance in Local Government*'.

#### **4. REVIEW OF GOVERNANCE ARRANGEMENTS**

- 4.1 The annual review of the effectiveness of the council's governance arrangements and preparation of the Annual Governance Statement has been carried out by the Head of Audit & Business Risk and overseen by the Officers' Governance Board.

#### **5 DRFAT ANNUAL GOVERNANCE STATEMENT**

- 5.1 The draft Annual Governance Statement for 2010/11 is shown at Appendix 1. It has been prepared generally in line with the CIPFA/SOLACE guidance and comprises the following:
- The purpose of the governance framework
  - The council's governance framework
  - Review of effectiveness
  - Governance Issues and actions for improvement
- 5.2 Implementation of actions will be monitored by Audit & Business Risk and reported back to the Officers' Governance Board and Audit Committee.

#### **6. CONSULTATION**

- 6.1 Internal consultation has been carried out with key officers and members of the Officers' Governance Board.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

- 7.1 Financial

Sound corporate governance and proper systems of internal control are essential to the financial health and reputation of the council. The actions outlined to strengthen the governance arrangements, can be delivered within existing financial resources.

Anne Silley  
Business Engagement Manager  
Financial Services

15<sup>th</sup> June 2011

## 7.2 Legal Implications:

The statutory basis for this report is regulation 4 of the Accounts and Audit (England) Regulations 2011, which requires the council (among other matters):

- to conduct a review at least once a year of the effectiveness of its system of internal control
  - to ensure the findings of the review are considered by Full Council or one of its committees; and
  - following the review, to ensure that Full Council or one of its committees to approves an annual governance statement
  - to ensure the annual governance statement accompanies the council's statement of accounts for that year
- The Audit Committee is fulfilling these requirements as a committee of the Council designated for this purpose.

Oliver Dixon  
Lawyer

17 June 2011

## 7.3 Equalities Implications:

There are no direct equalities implications arising directly from this report

## 7.4 Sustainability Implications:

There are no direct sustainability implications arising from this report.

## 7.5 Crime & Disorder Implications:

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

## 7.6 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”.

7.7 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. Annual Governance Statement 2010/11

### **Background Documents**

1. Brighton & Hove City Council’s Code of Corporate Governance
2. CIPFA/SOLACE Delivering Good Governance in Local Government – (Framework 2007)
3. Delivering Good Governance in Local Government – Guidance notes for English Authorities (CIPFA/SOLACE 2007)
4. Accounts & Audit Regulations 2011 (Amended)
5. The Annual Governance Statement (CIPFA Finance Advisory Network)