

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Chief Executive and Town Clerk

to

**Audit Committee**

on

**16 June 2010**

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Advisor

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**Annual Governance Statement 2009/10**

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***A Part 1 Public Agenda Item***

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## **1. Purpose of Report**

- 1.1 To present the Annual Governance Statement and action plan for 2009/10 to Audit Committee.

## **2. Recommendation**

- 2.1 That Audit Committee agree with the declaration reflected within the Annual Governance Statement for 2009/10 and approve the action plan.**

## **3. Background**

- 3.1 The responsibility for ensuring that there is a sound system of internal control rests with the Council. It is required to report on this annually via its Governance Statement which is published with the financial statements.
- 3.2 In order to do this, the Council should seek regular assurance that its systems of internal control are functioning effectively. It should also ensure that the system of internal control is effective in managing significant risks in the way that it would expect.
- 3.3 The Council has delegated responsibility for monitoring and reporting on the adequacy and effectiveness of its system of internal control to the Audit Committee.
- 3.4 Therefore the Committee is required to satisfy itself that the Annual Governance Statement is consistent with its view on the Council's system of internal control based upon the assurance presented to it throughout the year.
- 3.5 The Annual Governance Statement 2009/10 (appendix 1) contains a forward looking action plan for actions in 2010/11. The action plan which relates to 2009/10 was included in the 2008/09 Annual Governance Statement and is attached at appendix 2.

#### **4. Corporate Implications**

##### 4.1 Contribution to Council's Vision & Critical Priorities

All audit work contributes to the Corporate Aim of being "An Excellent Council" and the Cross Cutting Theme of "Becoming a Higher Performing Organisation".

##### 4.2 Financial Implications

None.

##### 4.3 Legal Implications

Accounts and Audit Regulations 2003 paragraph 4(2) states that:

"...The relevant body shall conduct a review at least once in a year of the effectiveness of its system of internal control and shall include a statement on internal control, prepared in accordance with proper practices..."

The supporting supplement to this framework serves to define "proper practice" in this context.

Section 4 of the Accounts and Audit (Amendment) (England) Regulations 2006 require:

"...The findings of the review of the systems of internal control shall be considered by a committee of the relevant body, or by the members of the relevant body meeting as a whole, and following that consideration, shall approve a statement on internal control, prepared in accordance with proper practices in relation to internal control..."

For this purpose, proper practice is considered to be the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Delivering Good Governance in Local Government - Framework.

##### 4.4 People and Property Implications

None.

##### 4.5 Consultation

None.

##### 4.6 Equalities Impact Assessment

None.

##### 4.7 Risk Assessment

Failure to operate robust governance arrangements can potentially lead to poor management, performance, stewardship of public money, public engagement and ultimately, poor outcomes for citizens and service users. It increases the risk that corporate priorities won't be delivered.

#### 4.8 Value for Money

None.

#### 4.9 Community Safety Implications and Environmental Impact

None.

### 5 Background Papers

5.1 Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Delivering Good Governance in Local Government - Framework.

5.2 Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Guidance Note for English Authorities.

5.3 The CIPFA Finance Advisory Network, The Annual Governance Statement, meeting the requirements of the Accounts and Audit Regulations 2003, Incorporating Accounts and Audit (Amendment) (England) Regulation 2006, Rough Guide for Practitioners.

5.4 The Accounts and Audit Regulations 2003.

5.5 The Accounts and Audit (Amendment) (England) Regulations 2006.

### 6 Appendices

6.1 **Appendix 1** – Annual Governance Statement 2009/10 incorporating Corporate Governance Action Plan 2010/11.

6.2 **Appendix 2** - Corporate Governance Action Plan 2009/10.