

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Corporate Director Support Services

to

**Audit Committee**

on

**26 September 2012**

Report prepared by: Lysanne Eddy, Group Manager Policy &  
Partnerships

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**Annual Governance Statement 2011/12**

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**Executive Councillor – Councillor Holdcroft**

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

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## **1. Purpose of Report**

- 1.1 To present to Committee the Annual Governance Statement for 2011/12 together with an action plan for 2012/13 and an update on progress made with the 2011/12 Action Plan

## **2. Recommendation**

- 2.1 That Audit Committee approve the Annual Governance Statement for 2011/12 and the action plan for 2012/13.**

## **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 The Annual Governance Statement 2011/12 and action plan for 2012/13 is attached at **Appendix 1**. Progress against the 2011/12 action plan is attached at **Appendix 3**.
- 3.5 The Annual Governance Statement for South Essex Homes was endorsed by SEH Board in May 2012 and is attached at **Appendix 2**.

## **4. Corporate Implications**

### **4.1 Contribution to Council's Aims and Priorities**

Operating robust governance arrangements contributes to the delivery of all Council aims and priorities.

### **4.2 Financial Implications**

All officers have been required to adopt robust financial management arrangements within their service areas.

### **4.3 Legal Implications**

Accounts and Audit (England) Regulations 2011 Section 4 requires that the relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control.

The findings of the review must be considered by Council or by a committee. Following the review, the body or committee must approve an annual governance statement prepared in accordance with proper practices in relation to internal control.

Proper practice in this sense is defined as guidance issued by the relevant professional body, which for local government is the CIPFA / SOLACE Framework (refer background papers). This requires local authorities to produce a Local Code of Governance and sets out the operational framework that it should adopt.

Therefore the work undertaken to support and then produce the Annual Governance Statement satisfies the requirements of the Accounts and Audit (England) Regulations 2011.

### **4.4 People**

All members and staff have been required to adopt the principles and values outlined in the Local Code of Governance and apply the business management processes required within their service areas.

### **4.5 Property Implications**

All services have been required adopt proper processes in managing their assets.

### **4.6 Consultation**

The Corporate Management Team has agreed all supporting reports and the Annual Governance Statement.

### **4.7 Equalities Impact Assessment**

This has been reflected in the principles, values and or business management processes adopted.

### **4.8 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.

### **4.9 Value for Money, Community Safety Implications and Environmental Impact**

These have been reflected in the principles, values and or business management processes adopted.

## **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 (England) Regulations 2011.

## **6 Appendices**

- 6.1 **Appendix 1** - Annual Governance Statement 2011/12 incorporating Corporate Governance Action Plan 2012/13.
- 6.2 **Appendix 2** - South Essex Homes Annual Governance Statement – 2011/12
- 6.2 **Appendix 3** - Corporate Governance Action Plan, 2011/12, progress report.