

Subject: Annual Governance Statement 2012/13
Date of Meeting: 25 June 2013
Report of: Executive Director of Finance & Resources
Contact Officer: Name: **Ian Withers** Tel: **29-1323**
Abraham Ghebre-Ghiorghis **29-1500**
E-mail: ian.withers@brighton-hove.gov.uk
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this report is to present the Annual Governance Statement for 2012/13 following completion of the annual review of the Council's governance arrangements, including its system of internal control.

2. RECOMMENDATIONS:

It is recommended that the Committee:

- 2.1 Consider the Annual Governance Statement, comment accordingly and approve for publication.
- 2.2 Note in particular the actions to further develop and strengthen elements of the Council's governance arrangements.

3. BACKGROUND INFORMATION:

- 3.1 All local authorities have a statutory legal responsibility under the Accounts and Audit Regulations 2011, to conduct at least annually a review of the effectiveness of their governance framework, including their system of internal control. Following the review, an Annual Governance Statement must be produced, approved, and published. It is required to be signed by the Chief Executive and the Leader of the Council.

- 3.2 The structure of the Annual Governance Statement has been updated in line with previous feedback from the Council's Audit & Standards Committee, Officers' Governance Board and external auditors. It has also been prepared in accordance with the Chartered Institute of Public Finance & Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) guidance and framework, '*Delivering Good Governance in Local Government*'.
- 3.3 Governance comprises the systems, processes, culture and values by which Councils are directed and controlled and through which they account to, engage with, and where appropriate, lead their communities. Every Council has a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes.
- 3.4 The Annual Governance Statement gives the Council the mechanism to demonstrate its positive governance culture and achievements to its stakeholders.

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 with input from key officers. It was considered by the Officers' Governance Board on 3rd June 2013.
- 4.2 The outcome of the annual review was that the Council has generally sound governance arrangements in place.
- 4.3 The Officers' Governance Board will continually review the governance arrangements throughout the year, as well as focussing on specific areas identified in the Annual Governance Statement.

5 DRAFT ANNUAL GOVERNANCE STATEMENT

- 5.1 The draft Annual Governance Statement for 2012/13 is shown at Appendix 1. It has been prepared generally in line with the CIPFA/SOLACE best practice 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 Progress made with the implementation of actions contained in the Annual Governance Statement will be monitored by the Officers' Governance Board and an update report will be made to the Audit & Standards Committee on 21st January 2014.

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 resources required to implement the actions outlined to strengthen the governance arrangements are provided for in the agreed 2013/14 budget.

Finance Officer Consulted James Hengeveld 11th June 2013

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 & Standards Committee is fulfilling these requirements as a committee of the Council designated for this purpose.

Lawyer consulted: Oliver Dixon

12/06/13

- 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 2012/13

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 (CIPFA/SOLACE) 2012)
4. Accounts & Audit Regulations 2011
5. Local Government Governance Review, (June 2012 Consultation Paper), Grant Thornton
6. Local Government Governance Review (February 2013), Grant Thornton

