

<b>Subject:</b>	<b>Annual Governance Statement</b>		
<b>Date of Meeting:</b>	<b>23 September 2008</b>		
<b>Report of:</b>	<b>Director of Finance &amp; Resources and Director of Strategy &amp; Governance</b>		
<b>Contact Officer:</b>	<b>Name: Ian Withers</b>	<b>Tel: 29-1323</b>	
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<b>Wards Affected:</b>	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 Audit Committee of the Council at its meeting on 26 June considered and approved the Annual Governance Statement. However, given the fact that it impacts on overall governance, it is being reported to the Governance Committee for Information.

#### 2. RECOMMENDATIONS:

- 2.1 That the annual assessment of the City Council's corporate governance arrangements be noted;
- 2.2 That the Annual Governance Statement for inclusion with the Statement of Accounts be noted; and
- 2.3 That the City Council's continuing improvements on governance arrangements be noted.

#### 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 From 2007/08 this statutory duty has been superceded by the requirement to produce an Annual Governance Statement.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. The Chief Executive and Leader sign the Statement which is 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.
- 3.7 Core Principle 2 of the Assessment (Common Purpose) and Core Principle 4 (Scrutiny and Risk Management) touch on issues relating to the constitution and governance generally. These and the Annual Governance Statement (Appendix 2) do not raise any major issues. It should however be noted that this covers the municipal year 2007/8. The current governance arrangements will be reflected in the next Annual Governance Statement.

#### **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.

Finance Officer Consulted: Ian Withers

Date: 02/09/08

##### **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.

Lawyer Consulted:

Abraham Ghebre-Ghirorghis Date: 02/09/08

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)

