

# AUDIT AND RISK COMMITTEE

22 September 2015

## ANNUAL GOVERNANCE STATEMENT

### Report of the Director for Resources

Strategic Aim:	<b>All</b>	
Exempt Information	Yes Appendix B of this report contains exempt information and is not for publication in accordance with paragraphs 1 and 2 (information relating to an individual or which is likely to reveal the identity of an individual) of Part 1 of Schedule 12A of the Local Government Act 1972.	
Cabinet Member(s) Responsible:	Councillor King – Portfolio holder for Places (Development and Economy) and Resources	
Contact Officer(s):	Debbie Mogg, Director for Resources	Tel: 01572 758358 dmogg@rutland.gov.uk
	Saverio Della Rocca, Assistant Director - Finance	Tel: 01572 758159 sdrocca@rutland.gov.uk
Ward Councillors	Not Applicable	

### DECISION RECOMMENDATIONS

1. That the Committee approves the Annual Governance Statement (AGS) as part of the 2014/15 Statement of Accounts.

## 1. PURPOSE OF THE REPORT

- 1.1 To meet the statutory requirement for the Council to approve an AGS for inclusion in its published Statement of Accounts for 2014/15.

## 2. BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 When publishing its statement of accounts (SoA), the Council is required by regulation 4(3) of the Accounts and Audit Regulations 2011 to consider and

approve an AGS. The function is delegated to this Committee. CIPFA guidance suggests that the Committee considers a version of the Statement in advance. The Committee did receive an early version of the AGS at its last meeting in June.

2.2 Since considering the AGS in June, the Council has made one significant amendment. Further to the report received by Full Council (Report 173/2015), the Council has included its failure to adequately administer a Section 106 agreement as a significant governance issue. Full details of the issue are included in Section 5 of Appendix A. The Council also commissioned some work from Baker Tilley in response to this issue. The conclusion from this work is included in Section 5 and the full report is included as an exempt Appendix B.

2.3 While it is for individual authorities to judge whether a matter is significant, the Council believes that the issue is significant because:

- it has a significant impact (in excess of £1m) on the Council's available funding over the next few years;
- it is likely to attract significant public interest, and damage the reputation of the Council;
- it has diverted resources away from other council business; and
- it has agreed with external audit that the matter is significant.

2.4 The AGS, as amended, will be signed by the Leader and the Chief Executive following the approval of this Committee. The external auditor has reviewed the format of the AGS and its revised content and is satisfied that it is consistent with his understanding of the Council and the governance issue that has occurred.

### **3. CONSULTATION**

3.1 The Annual Governance Statement has been reviewed by Senior Management team and the Governance Group. Other officers have contributed to parts of the Statement. The external auditors have considered the revised AGS as part of their work.

### **4. ALTERNATIVE OPTIONS**

4.1 At this stage the Committee is being asked to provide comment so alternative options are not appropriate.

### **5. FINANCIAL IMPLICATIONS**

5.1 There are no financial implications arising from this report.

### **6. LEGAL AND GOVERNANCE CONSIDERATIONS**

6.1 The Audit and Risk Committee is responsible for reviewing the Annual Governance Statement.

6.2 There are no legal implications arising from this report.

## **7. EQUALITY IMPACT ASSESSMENT**

7.1 Equality Impact Assessment (EqIA) screening has been completed and there were no issues arising. A full Impact assessment has not been carried out.

## **8. COMMUNITY SAFETY IMPLICATIONS**

8.1 There are no community safety implications.

## **9. HEALTH AND WELLBEING IMPLICATIONS**

9.1 There are no health and wellbeing implications.

## **10. CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

10.1 The Committee plays an important role in the oversight of the corporate governance framework. Its review of the Annual Governance Statement on behalf of the Council provides an independent assurance to the Chief Executive and Leader.

## **11. BACKGROUND PAPERS**

None

## **12. APPENDICES**

Appendix A - Annual Governance Statement  
Exempt Appendix B - Baker Tilley report

**A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.**