

**WYRE FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**  
**17<sup>th</sup> MARCH 2008**

**ANNUAL GOVERNANCE STATEMENT**

<b>OPEN</b>	
<b>COMMUNITY STRATEGY THEME</b>	Internal Organisational Theme
<b>CORPORATE THEME:</b>	Improving Corporacy & Performance
<b>KEY PRIORITY:</b>	Financial and Asset Management
<b>STRATEGY:</b>	Annual Governance Statement
<b>CABINET MEMBER:</b>	Councillor John Campion
<b>RESPONSIBLE OFFICER:</b>	Head of Financial Services
<b>CONTACT OFFICER:</b>	Joan Hill Extension No. 2102 Joan.hill@wyreforestdc.gov.uk
<b>APPENDIX A</b>	Wyre Forest District Council Assurance Framework

**1. PURPOSE OF REPORT**

1.1 To ask members to note the requirements to prepare an Annual Governance Statement.

**2. RECOMMENDATION**

**The Audit Committee is asked to NOTE the requirements to prepare an Annual Governance Statement.**

**3. BACKGROUND**

3.1 The Council is required to comply with the Accounts and Audit Regulations 2003 (as amended in 2006). These require that the Council must conduct a review at least one a year of the system of internal control together with a review of the effectiveness of its system of internal control.

3.2 The findings from the review of the system of internal control and a review of its effectiveness are collated and have to be considered by a committee of the relevant body or by members of the body meeting as a whole. At Wyre Forest District Council this function is performed by the Audit Committee. Each year this Statement on internal control is published with the authority's financial statements.

3.3 The purpose of the Statement on internal control is to provide and demonstrate that there is a continuous review of the effectiveness of an organisation's internal control and risk management systems so as to give assurance on their effectiveness and to produce action plans to address identified weaknesses.

3.4 Following the legislation the Department for Communities and Local Government in 2006 issued a circular providing guidance on what is deemed to be proper practice for such reviews.

3.5 In 2007 a new CIPFA/SOLACE governance framework has been issued. This framework requires that for financial periods commencing on the 1<sup>st</sup> April 2007 that an Annual Governance Statement be prepared which should be published with the Council's financial statements, incorporating the previous requirements to prepare a Statement on internal control.

3.6 The Council has a Corporate Governance framework which is reviewed annually and is considered as a separate report to this meeting of the committee.

#### **4. KEY ISSUES**

4.1 The preparation of an Annual Governance Statement is a new statutory requirement and its purpose is to provide and demonstrate that there is a continuous review of the effectiveness of the Council's internal control and risk management systems so as to give assurance on their effectiveness and to produce action plans to address identified weaknesses.

4.2 The Council has a Corporate Governance framework which is subjected to an annual review and is considered as a separate report to this meeting of the committee.

4.3 The council's assurance framework is shown in summary form at Appendix A.

4.3 The Annual Governance Statement for the current financial year will be prepared based on this Assurance Framework and be brought to the June meeting of this committee for consideration.

#### **5. FINANCIAL IMPLICATIONS**

5.1 There are no financial implications arising from this report.

#### **6. LEGAL AND POLICY IMPLICATIONS**

6.1 The Council is required to comply with the Accounts and Audit Regulations 2003 (as amended in 2006). These require that the Council must conduct a review at least one a year of the system of internal control together with a review of the effectiveness of its system of internal control and produce an Annual Governance Statement to be published with the council's financial statements.

#### **7. RISK MANAGEMENT**

7.1 In order to comply with the appropriate legislation the Annual Governance Statement will be prepared based on the proposed Assurance Framework.

#### **8. CONCLUSION**

8.1 The Council has an Assurance Framework in place which will be used to prepare the Annual Governance Statement in accordance with legislation and published with the council's financial statements.

#### **9. CONSULTEES**

9.1 None

#### **10. BACKGROUND PAPERS**

None

**Wyre Forest District Council Assurance Framework**

