

	<p>Audit Committee</p> <p>22 July 2014</p>
<p style="text-align: right;">Title</p>	<p>Annual Governance Statement</p>
<p style="text-align: right;">Report of</p>	<p>Assurance Director</p>
<p style="text-align: right;">Wards</p>	<p>None</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A: Annual Governance Statement 2013/14</p>
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Summary
<p>This report seeks approval for the Annual Governance Statement 2013/14 to be included in the annual accounts.</p>

Recommendations
<p>That the Committee comment on and approve the Annual Governance Statement for inclusion within the Statement of Accounts for 2013/14.</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 This report is a requirement of the Constitution in that the Audit Committee is required through its terms of reference to “to oversee the production of the Annual Governance Statement (AGS) and to recommend its adoption”.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Audit Committee is required to consider the Annual Governance Statement and recommend its adoption and to be included within the Statement of Accounts.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None considered. The Council is required to have an Annual Governance Statement.

4. POST DECISION IMPLEMENTATION

- 4.1 The governance issues identified within the Annual Governance Statement will be monitored throughout the year.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Barnet London Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to economy, efficiency and effectiveness.

- 5.1.2 Barnet London Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework delivering Good Governance in Local Government. This statement explains how the Council has complied with the code and also meets the requirements of regulations 4[2] of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations 2006 in relation to the publication of a statement of internal control.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The Council is able to confirm that its financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). In addition, the authority's assurance arrangements conform to the governance requirement of the CIPFA Statement on the role of the Head of Internal Audit.

5.3 Legal and Constitutional References

- 5.3.1 There are no legal issues in the context of this report.

- 5.3.2 The Council's Constitution under Responsibilities for Functions - the Audit Committee terms of reference includes "to oversee the production of the

Annual Governance Statement (AGS) and to recommend its adoption”.

5.4 Risk Management

5.4.1 The Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions including the management of risk. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to achievement of London Borough of Barnet policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

5.4.2 The Annual Governance Statement is a process of identifying governance issues and suggesting key actions to mitigate potential risks to the Council. These are then monitored throughout the year until resolution.

5.5 Equalities and Diversity

5.5.1 Effective systems of audit, internal control and corporate governance provide assurance on compliance with laws, regulation, internal policies and procedures, including compliance with the Council's duties under the 2010 Equalities act.

5.6 Consultation and Engagement

5.6.1 None in the context of this decision.

6. BACKGROUND PAPERS

6.1 Audit Committee 5 December 2007 (Decision Item 9) - approved the arrangement for preparing an Annual Governance Statement.

6.2 Audit Committee 30 June 2008 (Decision Item 8), 29 June 2009 (Decision Item 11), 21 June 2010 (Decision Item 7), 16 June 2011 (Decision Item 13), and 21 June 2012 (Decision Item 12) - approved the proposed Annual Governance Statement for inclusion within the Statement of Accounts for 2007/8, 2008/9, 2009/10, 2010/11 and 2011/12, respectively.

6.3 Audit Committee 25 September 2008 (Decision Item 7), 29 September 2009 (Decision Item 9), 21 September 2010 (Decision Item 9), 6 September 2011 (Decision Item 7), 13 September 2012 (Decision Item 6) - approved the Annual Governance Statement for 2007/8, 2008/9, 2009/10, 2010/11 and 2011/12, respectively.

6.4 Audit Committee 24 July 2013 (Decision item 7) approved the Annual Governance Statement for inclusion within the Statement of Accounts for 2012/13.

<http://barnet.moderngov.co.uk/documents/s9993/Annual%20Governance%20Statement%20Report.pdf>