

Norfolk Joint Highways Agency Committee

26 March 2009

Item: 14

Annual Governance Statement 2008-09 And Value For Money

Joint Report by the Chief Internal Auditors of the County and City Councils

This report introduces the approach to the Annual Governance Statement that provides assurance on the adequacy and effectiveness of the Committee's governance framework. It also briefs members on the new requirements for the assessment of the Audit Commission's Value for Money conclusion for the Committee.

A Annual Governance Statement

1 Introduction and background

- 1.1 The Accounts and Audit (Amendment) (England) Regulations 2006 require the reporting annually of a "statement on internal control". This statement provides assurance on the adequacy and effectiveness of the organisation's governance framework.
- 1.2 As the City Council is the host, the requirement for 2008-09 is to review the City Council's Code of Corporate Governance and then to report an Annual Governance Statement in place of the "statement on internal control". The statement for 2007-08 was signed by the Leading Member and Chief Executive.
- 1.3 Guidance for the review of the City Council's existing Code and for the preparation, review and reporting of the statement was issued by a CIPFA /SOLACE partnership (the Framework).
- 1.4 This report introduces the approach to preparing the 2008-09 Annual Governance Statement for the committee to note and approve and also briefs members on the new requirements for the assessment of the Audit Commission's Value for Money conclusion for the Committee.

- 1.5 The City Council was urged by the CIPFA /SOLACE guidance to test the current governance structures against the principles in the new published Framework by
- reviewing existing governance arrangements against the framework,
 - developing and maintaining an up-to-date local code of governance, including arrangements for ensuring its ongoing application and effectiveness and
 - annually preparing a governance statement in order to report publicly on the extent to which we comply with our own code, including how we have monitored the effectiveness of the governance arrangements in the year, and on any planned changes in the coming period.
- 1.6 The Head of Legal and Democratic Services and Head of Finance have considered and approved this approach to the requirements.

2 The Code of Corporate Governance

- 2.1 The City Council adopted the CIPFA/SOLACE recommended Code of Corporate Governance on 21 October 2008.
- 2.2 The Head of Legal and Democratic Services will consider the guidance to determine if
- there are any changes required to the Council's existing Code of Corporate Governance and
 - there are any changes in the arrangements for ensuring its ongoing application and effectiveness

and report accordingly.

3 The Annual Governance Statement

- 3.1 Much of the evidence that was gathered to support last year's Annual Governance Statement is relevant to the 2008-09 Annual Governance Statement and this will be reviewed. Additional evidence will be gathered, reviewed and reported by the Internal Audit teams of both the County Council and the City Council.

4 The Annual Review of Effectiveness of Governance

- 4.1 The Framework requires that the City Council should undertake regular, at least annually, reviews of its governance arrangements to ensure continuing compliance with best practice as set out in the Framework. It is important that such reviews are reported both within the City Council and externally.
- 4.2 The results of the 2008-09 review will be reported to the Audit Committee and then reported to this Committee.

B Value for Money

- 5.1 Each year the Audit Commission publishes a Value for Money Conclusion as part of its report on the Audit of the Committee's Annual Statement of Accounts.
- 5.2 Part of the Code of Audit Practice – VFM Conclusion Criteria for "Other local Government Bodies" has recently become available. For 2008-09 the conclusion will be drawn from two 'key lines of enquiry' with two sub-divisions in each
- Managing Finances
 - understanding costs and achieve efficiencies and
 - financial reporting
 - Governing the Business
 - good governance and
 - risk management and internal control
- 5.3 Early indications are that arrangements will be adequate and effective.

6 Partnerships and Section 17 Crime and Disorder Act

- 6.1 Beyond the partnership between the City and County Councils set out in the Highways Agency Agreement there are no additional partnerships that require reviewing.
- 6.2 Effective Corporate Governance arrangements help to deter crime, or increase the likelihood of detection through making crime difficult, increasing the risks of detection and prosecution and reducing rewards from crime.

7 Recommendation

- 7.1 The Committee should note and approve
- the above requirements for an annual governance statement and support the annual review,
 - that the City Council's Code of Governance will be kept under review by the Monitoring Officer,
 - that Chief Officers recognises the 'corporate ownership' of governance requirements and
 - the Annual Governance Statement will be included within the annual Statement of Accounts.
- 7.2 The Committee are asked to note the new requirements for the Value For Money Conclusion and that these requirements will be considered along with the Annual Governance Statement and reported to the Audit Committee and then on to this Committee.

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