

**Report to:** Audit Committee  
**Date of meeting:** 30 June 2009  
**Report of:** Head of Strategic Finance  
**Title:** Annual Governance Statement

1.0 **SUMMARY**

1.1 This report sets out the Annual Governance Statement (Appendix 1) that the council is required to produce annually, for inclusion in the Statement of Accounts. Supporting evidence is set out in an Appendix 2. Best practice requires that Members consider this separately from the accounts.

2.0 **RECOMMENDATIONS**

2.1 That the Annual Governance Statement set out as Appendix 1 be approved,

**Contact Officer:**

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### 3.0 **DETAILED PROPOSAL**

3.1 It is a statutory requirement that all authorities are required to produce an Annual Governance Statement (AGS). The purpose of the Statement is to demonstrate that the council has put in place proper arrangements for the governance of its affairs and for their continued effectiveness.

3.2 Appendix 1 sets out the Statement, in the form required. Members' attention is particularly drawn to the section on Significant Governance issues, which sets out priority areas for improvement. The guidance on the AGS is very clear that an AGS with no such issues to report is likely to be a sign of an ineffective governance culture. Appendix 2 sets out the supporting evidence, which members need to consider in forming a view on whether or not to approve the AGS or to amend it. This is based on a format compiled by CIPFA as a good practice example.

3.3 In accordance with recommended practice, the Governance Statement has been reviewed by a small corporate team comprising the Heads of Legal and Property Services, Corporate Services and Strategic Finance.

### 4.0 **IMPLICATIONS**

#### 4.1 **Financial**

4.1.1 The Head of Strategic Finance comments that there are no financial implications arising directly from this report.

#### 4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Legal and Property Services comments that the requirement to publish an Annual Governance Statement arises from the Accounts and Audit (Amended) Regulations (England) 2006.

#### 4.3 **Equalities**

4.3.1 The Council's commitment to equalities is reflected in its values and hence in this Statement.

#### 4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
Failure to correctly identify key issues	1	3	3
The compilation process is designed to minimise the risk of over-looking important issues. Failure to do so could lead to problems for the council, including adverse comment from the external auditor.			

#### Appendices

Appendix 1 – Annual Governance Statement  
Appendix 2 – Supporting evidence

#### Background Papers

If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.”

Delivering Good Governance in Local Government – SOLACE/CIPFA  
The Annual Governance Statement – CIPFA Finance Advisory Network

#### File Reference

None