



Leicester  
City Council

## **FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Audit & Risk Committee**

**24<sup>th</sup> September 2013**

---

### **Draft Annual Governance Statement 2012-13**

---

#### **Report of the City Barrister & Head of Standards and Director of Finance**

##### **1. Purpose of Report**

- 1.1 To present to the Committee the draft Annual Governance Statement for 2012-13.

##### **2. Recommendations**

- 2.1 The Audit & Risk Committee is asked to consider and approve the draft Annual Governance Statement for 2012-13.

##### **3. Summary**

- 3.1 Under regulation 4 of the Accounts and Audit (England) Regulations 2011, each local authority is required to conduct a review at least once a year of the effectiveness of its system of internal control and following the review, must prepare an Annual Governance Statement. This must be approved by members of the authority, meeting either as a whole or by means of a committee. For Leicester City Council, the Audit & Risk Committee has been given this responsibility.
- 3.2 The draft Annual Governance Statement, which is attached, sets out the Council's responsibilities for good governance. It outlines the Council's governance framework and the importance of the overall system of internal control. Related to this is the *Summary of Internal Audit Conclusions 2012-13*, which is elsewhere on the agenda of this meeting.
- 3.4 The draft Statement is supported by a Directors' Certification document that takes the six recognised fundamental principles of corporate governance and sets out the Council's relevant processes and procedures in fulfilment of each. It concludes with an assessment of areas of concern, both those reported in the previous year's Annual Governance Statement and additional ones identified in 2012-13. For each, the action planned or taken in response is given. The Directors' Certification document is the result of discussions at Strategic

Management Board and Operational Board at which both the process and the detailed content of the document were formally approved.

#### **4. Report**

- 4.1. Details are given in the draft Annual Governance Statement 2012-13 and supporting Directors' Certification, attached.

#### **5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

##### **5.1. Financial Implications**

There are no direct financial implications arising from this report. There are indirect implications insofar as the Council's systems of governance and internal control are directed at giving assurance that the Council's financial resources are being used properly and effectively.

The Annual Governance Statement is required by regulation 4(4) of the Accounts and Audit (England) Regulations 2011 to be published alongside the Council's statutory financial statements.

##### **5.2. Legal Implications**

Publication by the Council of the Annual Governance Statement is a specific requirement under regulation 4(3) of the Accounts and Audit (England) Regulations 2011.

There are indirect implications insofar as the Council's systems of governance and internal control are directed at giving assurance that relevant law and regulations are being observed.

##### **5.3. Climate Change Implications**

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

#### **6. Other Implications**

<b>Other Implications</b>	<b>Yes/No</b>	<b>Paragraph/References within supporting information</b>
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

<b>Other Implications</b>	<b>Yes/No</b>	<b>Paragraph/References within supporting information</b>
Risk Management	Yes	The whole report concerns the corporate governance and internal control process and its outcomes, a main purpose of which is to give assurance to Directors and this Committee that risks are being properly identified and managed appropriately by the business.

**7. Background papers – Local Government Act 1972**

Files held by Internal Audit and Legal Services.

**8. Consultations**

All Directors were involved in the preparation of the Annual Governance Statement.

**9. Report Authors**

Kamal Adatia, City Barrister & Head of Standards, x37 1401

Tony Edeson, Head of Internal Audit & Risk Management, Financial Services, x37 1621

Steve Jones, Audit Manager, Internal Audit, Financial Services, x37 1622.