

**Annual Governance Statement:
Framework for compiling the AGS: Setting out the process**

Whilst undertaking the evidence compilation of the AGS for 2007/08, it has become apparent that an ongoing timetable to address the identified issues needs to be created. In addition, CIPFA/SOLACE guidance suggests that, the process for compiling the AGS should be clearly set out and provided as part of supporting evidence.

The document below sets out the approach Stevenage Borough Council takes in compiling its Annual Governance Statement. This includes timescales for compiling the evidence and writing the statement and sets out who will provide evidence.

It is important that the AGS becomes an ongoing process to contribute towards the embedding of good governance across the Council, and not just an end of year activity, and so steps have been built into the overall process for continuous review and update of information, following regular monitoring and responding to agreed actions plans.

This document is intended for use by:

- a) Officers charged with the responsibility of gathering evidence and coordinating the Council's approach to compiling the Governance Statement
- b) Members and managers who need to be aware of the Council's approach to compiling the Annual Governance Statement.

This is designed to be a working document, through which areas for improvement and further development of the process will be identified.

Background

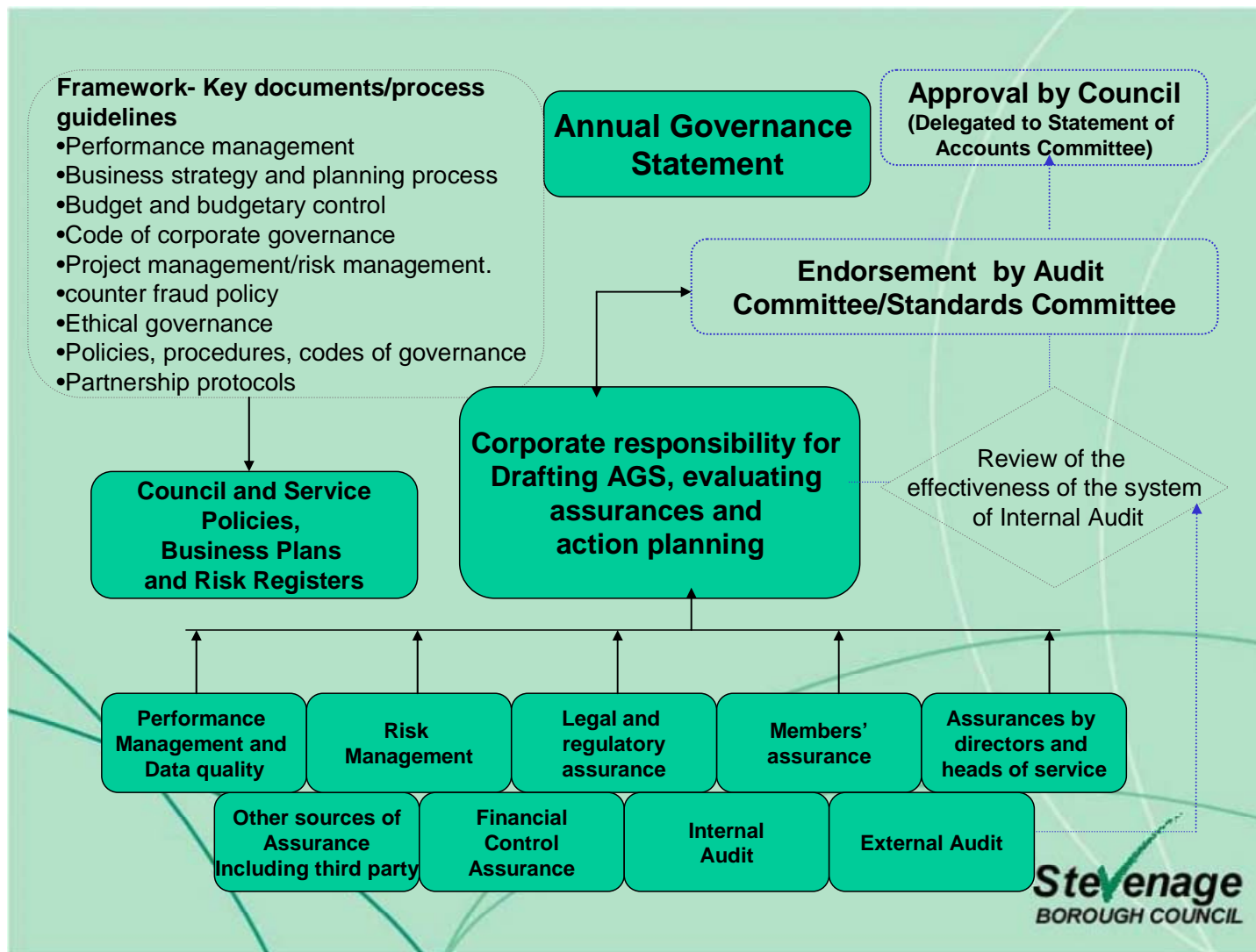
The Council is required to include, within the Statement of Accounts, an Annual Governance Statement (AGS). This replaces the Statement on Internal Control (SIC). This statement is a public assurance that the Council has a sound system of internal control, and robust corporate governance arrangements, designed to help manage and control its risks. It is an important public expression of what the Council has done to put in place good business practice, high standards of conduct and sound governance.

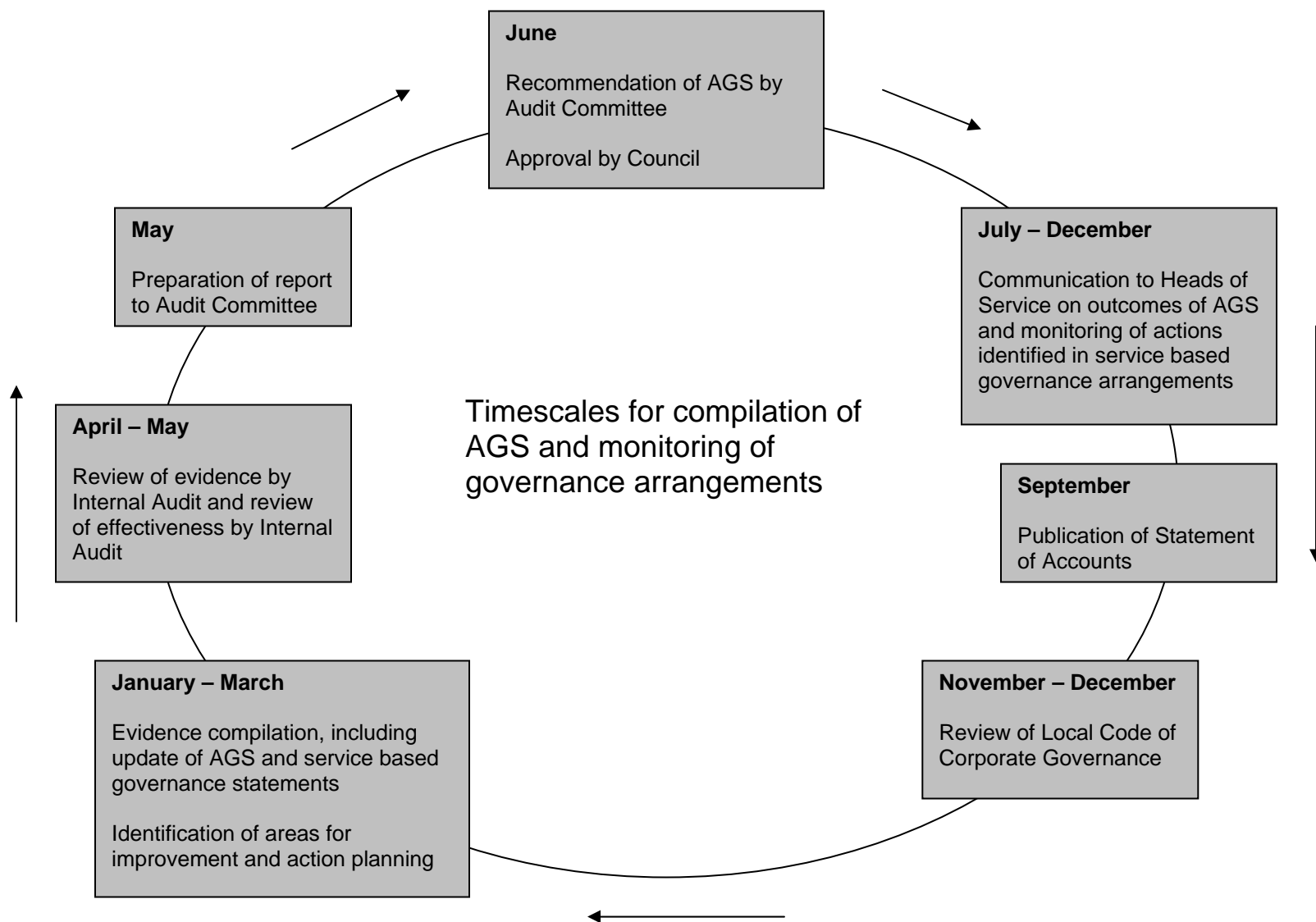
The AGS is compiled following a review of the effectiveness of systems of internal control. The review involves the Strategic Management Board, Heads of Service, as well as specific responsibilities for internal audit and the Corporate Governance Team. The AGS will be considered at the Audit Committee on 10 June. The Leader of the Council and the Chief Executive will sign the statement, prior to publication along with the Statement of Accounts.

The AGS should be current at the time of publication so that any significant governance issues identified for improvement which are identified after the date of signing the AGS will be considered for inclusion in the 2008/09 Annual Governance Statement.

Group of Individuals	Role & Responsibilities
Leader of the Council and Chief Executive	<ul style="list-style-type: none"> • Sign off the Annual Governance Statement prior to inclusion within Statement of Accounts
Council	<ul style="list-style-type: none"> • Approval of AGS as part of Statement of Accounts following recommendation from Audit Committee
Audit Committee	<ul style="list-style-type: none"> • Ensure the authority's AGS properly reflects the risk environment and identifies any actions needed for improvement • Consider the effectiveness of the authority's overall governance and control environment, risk management and anti-fraud and corruption arrangements • Seek assurance that action has been taken on risk related issues identified by Internal and External Audit and other inspections
Elected Members (individually or collectively)	<ul style="list-style-type: none"> • Approving and adopting relevant Codes and registering interest
Corporate Governance Group	<ul style="list-style-type: none"> • Compilation of AGS and supporting documentation • Moderation of service based governance statements and ongoing support to Heads of Service in identification of appropriate actions • Action planning in response to review of the Council's governance arrangements • Compilation of evidence to support AGS, including monitoring completion of identified actions
Monitoring Officer	<ul style="list-style-type: none"> • Contribution to AGS by providing assurance that the Council as a whole is responding adequately to legislation and legislative change

Section 151 Officer	<ul style="list-style-type: none"> • Contribution to AGS by providing assurance that the Council as a whole has effective controls in place to manage its finances efficiently and effectively
Heads of Service	<ul style="list-style-type: none"> • Annual assurance on the effectiveness of controls in place and governance arrangements (including response to legislative change, risk management and performance management) through service based governance statement • Maintain awareness of and promote service governance arrangements • Identify areas of service control weakness and action plan in response to this
Corporate Risk Management Team	<ul style="list-style-type: none"> • Provide assurance on Council's risk management processes and procedures
Internal Audit	<ul style="list-style-type: none"> • Provide independent review of corporate governance arrangements and compliance therewith • Assist in identifying areas for improvement and action planning
All Employees	<ul style="list-style-type: none"> • Maintain awareness and contribute to the control process where appropriate





The process and timescales for compiling the AGS is part of the ongoing review and improvement of the Council's governance arrangements and not an isolated year end activity