

DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	ANNUAL GOVERNANCE STATEMENT 2013-14 AND REVIEW OF 2012-13 ACTIONS		
DATE OF DECISION:	3 FEBRUARY 2014		
REPORT OF:	HEAD OF FINANCE AND IT		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY
N/A

BRIEF SUMMARY

In accordance with the Accounts and Audit Regulations the Council is required to develop and publish an Annual Governance Statement ('AGS'). The AGS reports on the extent to which the council has complied with its Code of Corporate Governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

RECOMMENDATIONS

- (i) To note and approve the assurance gathering process to support the development of the 2013-14 Annual Governance Statement (Appendix 1);
- (ii) To note the content of the Annual Governance Statement 2012-13 Action Plan - Status Report (Appendix 2).

REASONS FOR REPORT RECOMMENDATIONS

1. The Governance Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. No alternative options have been considered

DETAIL (Including consultation carried out)

3. Regulation 4(3) of the Accounts and Audit (England) Regulations 2011 requires that the relevant body must conduct a review at least once a year of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices.

4. The purpose of the AGS, which is published with the statement of accounts, is to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight those areas where there are significant gaps or where improvements are required.
5. The AGS is produced following a review of the council's governance arrangements. The review requires the systems and processes that comprise the Council's corporate governance arrangements to be brought together and reviewed.
6. The 'assurance gathering process' is based on CIPFA/SOLACE guidance and comprises an overall 'Assurance Framework document' together with 'Annual Governance - Self Assessment Statement' completed by each Director. Both the documents cover the key processes and systems that comprise the council's governance arrangements and are intended to identify any areas where improvement or further development is required.
7. The process to support the development of the AGS is largely unchanged on the basis that the current process is considered to be robust and noting that External Audit, who also review the completeness of AGS as part of their annual programme of work, commented that they "did not identify any areas of concern".
8. The only exception is that a draft of the AGS will be presented to the Governance Committee at the July meeting, in addition to the final draft document being presented at the September meeting for approval. This reflects a recommendation made by CIPFA that *"the AGS is first reviewed by members of the audit committee at an earlier stage to allow comments and contributions to be made. The statement must be current at the time it is published, so the audit committee [Governance Committee] should review the statement again in September"*.
9. The AGS itself is developed by a 'Controls Assurance Management Group' (comprising the Section 151 Officer, Chair of the Governance Committee, Monitoring Officer and Chief Internal Auditor) who are responsible for evaluating the assurances and supporting evidence provided, prior to drafting the AGS.
10. The draft AGS will be presented to the Governance Committee for review and approval prior to being forwarded to the Chief Executive and Leader of the Council for signing.

RESOURCE IMPLICATIONS

Capital/Revenue

11. None

Property/Other

12. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13. The Accounts and Audit (England) Regulations 2011 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those

responsibilities.

Other Legal Implications:

14. None

POLICY FRAMEWORK IMPLICATIONS

15. None

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	
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SUPPORTING DOCUMENTATION

Appendices

1.	AGS 2013-14 – Process and timelines
2.	AGS 2012-13 Action Plan - Status Report

Documents In Members' Rooms

1.	None.
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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