

DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	ANNUAL GOVERNANCE STATEMENT 2013-14		
DATE OF DECISION:	14 JULY 2014		
REPORT OF:	CHIEF FINANCIAL OFFICER		
<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 is intended to provide an accurate representation of the corporate governance arrangements in place during the year and identify or highlight any significant gaps or areas where improvements are required.

Although the AGS does not need to be approved until 30 September, CIPFA recommends that Audit [Governance] Committees are provided with sight of an early draft in order to provide opportunity for comments and contributions to be made.

RECOMMENDATIONS:

The Governance Committee is asked to:

- (i) Review the draft 2013-14 AGS (Appendix 1);
- (ii) Note the status of the 2012-13 Action Plan (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.
2. This responsibility extends to receiving, reviewing and approving the draft AGS.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. No alternative options have been considered

DETAIL (Including consultation carried out)

4. 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.
5. Under the 2011 Regulations, the AGS must be approved by 30 September however CIPFA has recently recommended that “the AGS is first reviewed by members of the audit [governance] committee at an earlier stage to allow comments and contributions to be made. The AGS must be current at the time it is published, so the audit [governance] committee should review it again in September”.
6. The AGS is produced following a review of the systems and processes that comprise the council’s governance arrangements. This review, based on CIPFA /SOLACE guidance, is informed by an ‘assurance gathering process’. The key components of this process are completion of an ‘Assurance Framework’ document, which looks at overall governance framework, together with completion of ‘Self Assessment Statements’ by each Director. Both 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 draft AGS is then developed by a ‘Controls Assurance Management Group’ (comprising the Section 151 Officer, Chair of the Governance Committee, Monitoring Officer, Assistant Chief Executive and Chief Internal Auditor) which has responsibility for evaluating the assurances and supporting evidence and for drafting the AGS.
8. The draft AGS has also been reviewed by the ‘Council Management Team’ on 17th June 2014.
9. The AGS must be current at the time it is published so the Governance Committee will be invited to review the final draft AGS again in September, prior to the document being signed by the Leader of the Council and the Chief Executive.

RESOURCE IMPLICATIONS

Capital/Revenue

10. None

Property/Other

11. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12. 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:

13. None

POLICY FRAMEWORK IMPLICATIONS

14. None

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	none
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SUPPORTING DOCUMENTATION

Appendices

1.	Draft Annual Governance Statement 2013-14
2.	AGS 2012-13 Action Plan - Status Report

Documents In Members' Rooms

1.	n/a
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No

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)
1. n/a	