

Annual Governance Statement 2013/14

SUMMARY

- 1.1 To present to Committee the draft Annual Governance Statement 2013/14. This has been produced following the completion of the annual review of the Council's governance arrangements.

RECOMMENDATION

- 2.1 To review the draft Annual Governance Statement.

REASONS FOR RECOMMENDATION

- 3.1 The Council has to publish an Annual Governance Statement to accompany the annual accounts. Best practice recommends that the body charged with governance is given an opportunity to comment on the draft statement before it approves it.

SUPPORTING INFORMATION

- 4.1 When publishing its annual accounts, the Council is required by regulation 4 (3) of the Accounts and Audit (England) Regulations 2011 to consider and approve an annual governance statement ("AGS") that accompanies the annual accounts. The Statement (at Appendix 2) sets out the Council's responsibilities, the purpose of the governance framework, the governance environment, its effectiveness and any significant areas of weakness identified with proposed actions to address these.
- 4.2 The governance framework is designed to facilitate the achievement of the Council's policies, aims and objectives, identifying and managing any risk to a reasonable level. The governance framework is embedded within the Constitution and the systems, policies procedures and operations in place.
- 4.3 The preparation and publication of the AGS in accordance with the CIPFA/SOLACE "Delivering Good Governance in Local Government" framework is necessary to meet the statutory requirement.

4.4 The CIPFA/SOLACE framework details the 6 fundamental principles of corporate governance; these are:

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
5. Developing the capacity and capability of members and officers to be effective
6. Engaging with local people and other stakeholders to ensure robust accountability

This framework provides the basis for the Council's Local Code of Governance.

4.5 The Local Code explains the processes and procedures in place to enable the council to carry out its functions effectively. It recognises, records and publishes the Council's governance arrangements as defined within the framework. The aim of the various elements of the framework is to ensure that:-

- The Council's policies are put into practice;
- The organisation's values are met;
- Laws and regulations are complied with;
- Council processes are adhered to;
- Financial statements and other published information are accurate and reliable; and
- Human, financial and other resources are managed efficiently and effectively.

Committee approved the revised Local Code at its meeting on 12 December 2012.

4.6 The AGS should avoid being a repetition of the Local Code. The AGS should describe the effectiveness of the council's governance framework and what assurances are in place to evaluate this. It should also detail any significant governance issues identified during the period under review, together with proposed actions to improve the governance arrangements.

4.7 The review of the effectiveness of the governance environment is informed by a number of sources including the work of Internal Audit and the Head of Governance and Assurance's Annual Audit Opinion (see separate report), External Audit and other external review bodies, the Governance Board, the Audit and Accounts Committee, the Standards Committee and the Overview and Scrutiny Commissions. The AGS is reviewed by Chief Officer Group.

4.8 The arrangements required for gathering assurances for the preparation of the annual governance statement provide an opportunity for the Council to consider the robustness of its governance arrangements.

- 4.9 At the centre of the review process for the governance framework within the Council, there is a corporate working group of officers (Governance Board) who contribute to the drafting of the final document, by evaluating assurances and the supporting evidence and whether or not there is consistency with existing policies and the authority's "assurance framework".
- 4.10 Assurances on the effectiveness of the governance framework are obtained throughout the year. This allows the Council to take any remedial action necessary at the earliest opportunity.
- 4.11 The Annual Governance Statement will be brought to the September meeting of this Committee for approval and to request that the Leader of the Council and the Chief Executive sign the statement.

OTHER OPTIONS CONSIDERED

5.1 N/A

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	n/a n/a n/a n/a n/a Chief Officer Group
For more information contact: Background papers: List of appendices:	Richard Boneham 01332 643280 richard.boneham@derby.gov.uk None Appendix 1 – Implications Appendix 2 – AGS 2013/14

IMPLICATIONS

Financial and Value for Money

- 1.1 None directly arising

Legal

- 2.1 As detailed in paragraph 4.1.

Personnel

- 3.1 None directly arising

IT

- 4.1 None directly arising

Equalities Impact

- 5.1 None directly arising

Health and Safety

- 6.1 None directly arising

Environmental Sustainability

- 7.1 None directly arising

Property and Asset Management

- 8.1 None directly arising

Risk Management

- 9.1 The effective management of risk is a core principle of good governance.

Corporate objectives and priorities for change

- 10.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.