

ANNUAL GOVERNANCE STATEMENT 2013/14

SUMMARY

- 1.1 This report presents the updated Annual Governance Statement 2013/14 for final review. The Statement provides an assessment of the effectiveness of the Council's governance framework and highlights any issues arising together with the proposed actions to address them.

RECOMMENDATIONS

- 2.1 To review and approve the changes made to the Annual Governance Statement 2013/14.
- 2.2 To refer the Annual Governance Statement 2013/14 to the Council Leader and Chief Executive for signing.

REASON FOR RECOMMENDATIONS

- 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 should approve the statement prior to signing by the Leader and Chief Executive.

SUPPORTING INFORMATION

- 4.1 The Audit and Accounts Committee received an initial draft of the Annual Governance Statement (AGS) on 9 July 2014. The Statement 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 preparation and publication of the AGS is done in accordance with the CIPFA/SOLACE "Delivering Good Governance in Local Government" framework as is necessary to meet statutory requirements.

- 4.3 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, External Audit and other external review bodies, the Governance Board, the Audit and Accounts Committee, the Standards Committee and the Scrutiny Commissions.
- 4.4 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.
- 4.5 There has been a number of revisions to the draft AGS since the Committee reviewed it at the July meeting:
- Section 4 – the addition of a paragraph about the role of the Head of Paid Service.
 - Section 4 – amendments to paragraphs on the roles of the s151 Officer, the Monitoring Officer and the Head of Internal Audit
 - Section 5 – addition of a paragraph on the job evaluation project
 - Section 5 – addition of a paragraph on "due legal process".
 - Section 5 – addition of paragraph on the suspension of a statutory officer.
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 - Section 5 – addition of issues arising from the Internal Audit Payroll review
 - Section 5 – addition of a paragraph on "unforeseen financial risk".
 - Appendix 2 – addition actions added for Governance and for Payroll

The final version is shown in **Appendix 2**.

- 4.6 The AGS recognises that the issues leading to the suspension of the s151 Officer potentially have an impact on the effectiveness of the Council's governance framework. However, this can not be assessed until the investigation work is completed.
- 4.7 The AGS has been reviewed by the Chief Officer Group. The External Auditor has been provided with the amended version and the subsequent questions he raised have been answered to his satisfaction.
- 4.8 Once the AGS has been approved and signed by the Council Leader / Chief Executive, the document will be published online alongside the Statement of Accounts.

OTHER OPTIONS CONSIDERED

- 5.1 None noted.

This report has been approved by the following officers:

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|--------------------------|---------------------|
| Legal officer | n/a |
| Financial officer | n/a |
| Human Resources officer | n/a |
| Estates/property officer | n/a |
| Service Director(s) | n/a |
| Other(s) | Chief Officer Group |

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| For more information contact: | Janie Berry, Monitoring Officer, 01332 643616 janie.berry@derby.gov.uk Richard Boneham Head of Governance and Assurance, 01332 643280 richard.boneham@derby.gov.uk |
| Background papers: List of appendices: | None Appendix 1 – Implications Appendix 2 – Annual Governance Statement 2013/14 |

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| IMPLICATIONS |
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Financial and Value for Money

- 1.1 None directly arising.

Legal

- 2.1 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.

Personnel

- 3.1 None directly arising.

Equalities Impact

- 4.1 None directly arising.

Health and Safety

- 5.1 None directly arising.

Environmental Sustainability

- 6.1 None directly arising.

Asset Management

- 7.1 None directly arising.

Property and Asset Management

- 8.1 None directly arising

Risk Management

- 9.1 Sound risk management practices are a key principle of good governance. The AGS contains actions to improve current risk management arrangements.

Corporate objectives and priorities for change

- 10.1 The governance framework includes arrangements to plan and monitor delivery of the Council's priorities.