



# AUDIT COMMITTEE

08 04 2014

**Subject Heading:**

Annual Governance Statement

**Report Author and contact details:**

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**Policy context:**

The draft version of the 2013/14 Annual Governance Statement for comment.

**Financial summary:**

N/A

## The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	X
Excellence in education and learning	X
Opportunities for all through economic, social and cultural activity	X
Value and enhance the life of every individual	X
High customer satisfaction and a stable council tax	X

### SUMMARY

This report updates the Committee on progress towards completion of the year end processes and the impact of this on the draft Annual Governance Statement (AGS).

Due to the election the AGS is being presented to the April Audit Committee as part of the year end reporting process, to ensure that Members of the outgoing Committee are able to comment on and approve the draft AGS in the light of their involvement with the work of the audit service over the past year.

A final draft of the AGS will be presented to the new Audit Committee in June/July 2014 for final sign off.

**RECOMMENDATIONS**

1. To comment on the draft 2013/14 Annual Governance Statement, attached as Appendix 1, and the process to produce.
2. To agree the draft version of the 2013/14 Annual Governance Statement subject to changes made as a result of recommendation 1.
3. To provide comments that will support the new Audit Committee completing a final sign off after the election.

**REPORT DETAIL**

1. In December a report was submitted updating the Committee on the Council's Corporate Governance arrangements and the work of the officer Governance Group during the year.
2. The Council's constitution delegates the responsibility for approving the Annual Governance Statement to the Audit Committee.
3. This year the timetable to produce the AGS has been changed to ensure an initial draft is ready for the Audit Committee as part of the year end process. An additional stage to the process has been added as the AGS will need to be signed off formally once all year end processes are complete and assurances received.
4. Since the December meeting the following actions have been taken:
  - a. Heads of Service have provided signed "mini" governance returns confirming that appropriate governance arrangements are in place across all services of the Council.
  - b. Group Directors have reviewed these returns and then submitted a return for their portfolios, having regard to the overall position.
  - c. These returns have been reviewed to ensure that all relevant issues have been identified and included in the draft AGS.
  - d. The results of the 2013/14 audit work have been formally reviewed as part of the production of the Annual Audit Report and Head of Internal Audit Opinion to identify any additional potential issues for inclusion on the AGS.

- e. An electronic evidence file has been produced documenting the process and evidencing the assurances received.
  - f. The officer Governance Group have discussed the outcome of the above end of year actions and agreed the outcomes.
  - g. Senior Management has commented on the draft version.
5. Although significant progress has been noted in relation to the four issues highlighted in the 2012/13 Annual Governance Statement, each remains a significant issue for 2013/14. All have been refreshed to ensure the issue is clearly understood and so that the action plan and monitoring can be focused and effective.
6. A draft version of the AGS is attached as appendix 1.

## IMPLICATIONS AND RISKS

### **Financial implications and risks:**

There are no financial implications arising directly. The risk relating to incorporating new best practice guidance into current governance arrangements is an increased expectation from stakeholders that is not delivered through the actions of the Council. However this risk is unlikely as the Council is committed to openness and transparency. The risks of not reviewing our arrangements against best practice are the Council not being viewed as open and transparent and the External Auditor assessing Corporate Governance adversely. Failure to produce a robust AGS could result in adverse comments from the Council's External Auditors.

### **Legal implications and risks:**

The Authority is statutorily obliged to conduct an annual review into the effectiveness of its systems of internal control prepared in accordance with proper practices. The Annual Governance Statement complies with that requirement and therefore there are minimal risks in ensuring that the Statement is progressed as per the recommendations.

### **Human Resources implications and risks:**

None arising directly from this report.

### **Equalities implications and risks:**

None arising directly from this report. Equalities is a key factors to consider in the Council's Governance arrangements and any changes to the Code of

Governance or other related policies and procedures are assessed to ensure the impact is appropriately identified.

**BACKGROUND PAPERS**

*Cipfa/Solace – “Delivering Good Governance in Local Government” and the 2012/13 Annual Governance Statement.*