



Havering
LONDON BOROUGH

AUDIT COMMITTEE

25 06 2012

Subject Heading:

Annual Governance Statement

Report Author and contact details:

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Policy context:

The draft Version of the 2011/12 Annual Governance Statement for approval.

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 completion of the year end processes and the impact of this on the draft Annual Governance Statement (AGS).

RECOMMENDATIONS

1. To comment on the draft 2011/12 Annual Governance Statement, attached as Appendix 1, and the process to produce.

2. To approve the draft version of the 2011/12 Annual Governance Statement subject to changes made as a result of recommendation 1.

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. 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. Members of management team's 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 2011/12 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 final version.
4. Of the four issues highlighted in the 2010/11 Annual Governance Statement, three, relating to Data Quality, Project Management and Contracts and Supply Chain Resilience, had been fully addressed at the end of March 2012, the remaining issue, Information Governance, has wide reaching implications and although significant progress has been made it is felt that the issue remains open.
5. Three new issues relating to Austerity, Pace of Organisational Change and Fraud have been included for 2011/12.

6. A draft version of the AGS is attached as appendix 1. The approved AGS will be signed by the Leader and Chief Executive and will be available to support the Council's Annual Accounts when published.

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:

None arising directly from this report.

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 2009/10 Annual Governance Statement.