

DRAFT Annual Governance Statement

Audit Committee

Date: 15th July 2104

Author: Head of Internal Audit

Wards: None

Locality Affected: None

Parishes Affected: None

1. Purpose and Reasons

- 1.1 The purpose of the report is to provide Audit Committee with details of the draft Annual Governance Statement for comment.
- 1.2 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.
- 1.3 The Annual Governance Statement sets out the Council's governance arrangements and is therefore a key source of assurance for the Audit Committee.

2. Recommendations

The Committee is recommended to:

- 2.1 It is recommended that the Audit Committee reviews and identifies any additional significant control issues that it would like to be considered for inclusion in the Annual Governance Statement prior to sign off by the Leader and Chief Executive in September 2014.

3. Detail

- 3.1 The Annual Governance Statement (AGS) is the formal statement that recognises records and publishes an authority's governance arrangements.
- 3.2 It is designed not only to give an opportunity for authorities to consider the robustness of their governance arrangements, but also provide an accurate representation of arrangements in place during the year and to identify areas where improvement is required.
- 3.3 The Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2011 in relation to the publication of a statement on internal control.

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- 3.4 The guidance for the AGS requires the Council to set out its governance arrangements and key elements of internal control and the sources of assurance; a review of the effectiveness of those governance and internal controls and a requirement to identify significant governance issues. The Council must ensure that it can provide evidence for any of the systems of internal control included in the AGS.
- 3.5 Guidance issued by CIPFA regarding the statement also recommends that a suitable independent management group should review the content of the AGS. The Council's Audit Committee will undertake this role. The Chief Executive and the Leader of the Council will sign the statement once the Audit Committee has approved it in September 2014.
- 3.6 The draft Annual Governance Statement is set out in Appendix 1 to this report.
- 3.7 As part of the document the Council must identify any areas of significant governance or internal control issues that have occurred during 2013/14. Potential areas for inclusion were discussed at Corporate Board. This included a review of last year's statement and agreeing whether any issues raised for 2012/32 could be taken off and whether any new issues needed to be included.
- 3.8 It recommended that the following issues could be removed from the statement:
- ☐ Museum Storage
 - ☐ Management of major property projects
- 3.9 Further progress is still required in the following area before it can be taken off the statement:
- ☐ Information Governance
- 3.10 The following additional areas are recommended for inclusion in the statement for 2013/14:
- ☐ Financial relationships with wholly owned subsidiaries
 - ☐ Capability and capacity in the context of large scale change
 - ☐ Ofsted inspection
 - ☐ Leisure
 - ☐ SCS reintegration
- 3.11 There are various sources of assurance that can inform both Corporate Board and Audit Committee on how the governance arrangements and systems of internal control within the Council have been operating (see Appendix 2).

4. Alternative Options

- 4.1 Not Applicable

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5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial implications arising from this report.

Legal and Human Rights Implications

- 5.2 This statement explains how the Council has complied with the principles of the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2011 in relation to the publication of a statement on internal control..

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 None

Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 Effective systems of governance and internal control within the Council will help to ensure that the objectives set out in One Swindon and the Council's Corporate Strategy is achieved.

Diversity Impact Assessment

- 5.5 None

Risk Management

- 5.6 Not applicable

6. Consultees

- 6.1 The Board Director: Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- 6.2 All Heads of Service, Board Directors and Members who have contributed to individual audits during the course of 2013/14.

7. Background Papers

- 7.1 None

8. Appendices / Background papers

Appendix 1 – The Annual Governance Statement 2013/14

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Appendix 2 – Assurance Framework

9. Key Decision/Decision in Forward Plan

Not Applicable