

FINAL Annual Governance Statement

Audit Committee

Date: 29th September 2015

Author: Head of Internal Audit
Wards: None
Locality Affected: None
Parishes Affected: None

1. Purpose and Reasons

- 1.1 It is a requirement of the Accounts and Audit Regulation 2015 that the Council prepares an Annual Governance Statement.
- 1.2 The purpose of this report is to provide Audit Committee with details of the final Annual Governance Statement for comment. The Audit Committee were presented with a draft statement at their June meeting.
- 1.3 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.
- 1.4 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 approves the content of the Annual Governance Statement prior to sign off by the Leader and Chief Executive.

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.
 - 3.4 The Annual Governance Statement explains how the Council has complied with the local code and also meets the requirements of the Accounts and Audit
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Further information on the subject of this report can be obtained from Nick Hobbs,
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Regulations 2015 in relation to the publication of an annual governance statement.

- 3.5 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.
- 3.6 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 2015.
- 3.7 The draft Annual Governance Statement is set out in Appendix 1 to this report.
- 3.8 As part of the document the Council must identify any areas of significant governance or internal control issues that have occurred during 2014/15. 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 2013/14 could be taken off and whether any new issues needed to be included.
- 3.9 It is recommended that the following issues could be removed from the statement:
- ☐ Ofsted Inspection
 - ☐ Swindon Commercial Services reintegration
 - ☐ Council Leisure Services
- 3.10 Further progress is still required in the following areas before it can be taken off the statement:
- ☐ Information Governance and Security
 - ☐ Financial relationships with wholly owned subsidiaries
 - ☐ Capacity and capability in the context of large scale change
- 3.11 The following additional areas are recommended for inclusion in the statement for 2014/15:
- ☐ Licensing: Private Hire and Taxis
 - ☐ Isambard School
 - ☐ Community Buildings: Statutory Compliance
- These have all been included following Internal Audit reviews the outcomes of which have been presented to Audit Committee. Other additional areas included in the statement are:
- ☐ Supporting Vulnerable Children
 - ☐ Waterside depot improvement plan

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- ☐ GCSE attainment
- ☐ ICT provision

- 3.12 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).
- 3.13 At its meeting on 6th July 2015, the Council's Standards Committee was invited to review the draft Annual Governance Statement and identify any additional significant control issues that it would like to be considered for inclusion in the Statement, prior to sign off by the Leader and Chief Executive in September 2015. The Standards Committee approved the Statement without change.

4. Alternative Options

- 4.1 Not Applicable

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 the Accounts and Audit Regulations 2015 in relation to the publication of an annual governance statement.

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

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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 Corporate Board

7. Background Papers

- 7.1 None

8. Appendices / Background papers

Appendix 1 – The Annual Governance Statement 2014/15

Appendix 2 – Assurance Framework

9. Key Decision/Decision in Forward Plan

Not Applicable