

Audit and Risk Management Committee
Monday, 13 June 2016

REPORT TITLE:	Draft Annual Governance Statement
REPORT OF:	Strategic Director: Transformation and Resources

REPORT SUMMARY

This report presents Audit and Risk Management Committee with a draft Annual Governance Statement for consideration by Committee Members. A final version will be reported to the Committee in September 2016.

It is necessary for the Council: to have approved and adopted a Code of Corporate Governance that complies with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government; and to report publicly through the Annual Governance Statement the extent to which the governance processes outlined in the Code are operating effectively in practice.

The Framework identifies six core principles of good governance:

1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area.
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles.
3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
5. Developing the capacity and capability of Members and Officers to be effective.
6. Engaging with local people and other stakeholders to ensure robust accountability.

RECOMMENDATION/S

That the Audit and Risk Management Committee considers the current draft of the Annual Governance Statement and the final Annual Governance Statement be presented to the Audit and Risk Management Committee for approval in September 2016.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1** The preparation and publication of an Annual Governance Statement (AGS) is necessary to meet the statutory requirement set out in the Accounts and Audit England) Regulations 2015.

2.0 OTHER OPTIONS CONSIDERED

- 2.1** Not applicable due to the statutory requirement.

3.0 BACKGROUND INFORMATION

3.1 The approach

The production of the Council's Annual Governance Statement is based on relevant supporting evidence provided by Internal Audit, with the overall direction provided by the Strategic Leadership Team to ensure high level corporate engagement and ownership.

The Council's Internal Audit team has been responsible for undertaking the relevant assurance work; however, it is important to note that the Annual Governance Statement is not owned by the audit function and is a Council statement on the effectiveness of its governance processes.

The review of the Annual Governance Statement and the accompanying assurances are also important roles for the Audit and Risk Management Committee.

3.2 Evidence

Internal Audit has provided the following sources of evidence and documentation to support the production of the Annual Governance Statement:

- a) A review of the key governance processes in place.
- b) Collation and review of Chief Officers and Managers Assurance Statements (in which assurances are provided and weaknesses highlighted over a range of key governance processes within specific areas of responsibility).

A review of reports by external review agencies has been completed, e.g. External Audit, Local Government Association, OFSTED, and the Care Quality Commission; so as to highlight key governance issues and findings.

Further evidence has been gathered via a series of meetings with key Council officers.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are none arising directly from this report.

5.0 LEGAL IMPLICATIONS

- 5.1 The preparation and publication of an Annual Governance Statement (AGS) is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2015.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 There are none arising directly from this report. Any implications identified in the production of the Annual Governance Statement will be reported to the Council's Strategic Leadership Team, Cabinet and the Audit and Risk Management Committee to identify the appropriate action that will be taken.

7.0 RELEVANT RISKS

- 7.1 Potential failure of the Council to comply with the statutory requirement set out in the Accounts and Audit (England) Regulations 2015).

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Consultation has taken place with the Portfolio Holder for Governance, Commissioning and Improvement, Council Leader and External Audit to inform the draft of the Annual Governance Statement.
- 8.2 The production of the statement has been led by the Council's Strategic Leadership Team and supported by officers of the Corporate Governance Group.
- 8.3 Wirral's External Auditors have also had the opportunity to consider the draft Annual Governance Statement and comment accordingly.

9.0 EQUALITY IMPLICATIONS

- 9.1 There are none arising directly from this report.

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APPENDICES

1. Annual Governance Statement 2015-16

REFERENCE MATERIAL

- CIPFA/SOLACE Delivering Good Governance in Local Government: Guidance Note and Framework (2012).
- CIPFA Annual Governance Statement: A Rough Guide for Practitioners 2007/08.
- Accounts and Audit Regulations (England) 2011.
- CIPFA Code of Practice for Internal Audit in Local Government 2006.
- CIPFA The Role of the Chief Financial Officer in Local Government 2010.
- CIPFA The Role of the Head of Internal Audit in Public Service Organisations 2010.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee - Annual Governance Statement 2014-15	18 March 2015
Audit and Risk Management Committee – Annual Governance Statement 2014-15	8 June 2015
Audit and Risk Management Committee – Annual Governance Statement 2014-15	22 September 2015