

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

19 MARCH 2013

SUBJECT:	ANNUAL GOVERNANCE STATEMENT 2012/13
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF EXECUTIVE
KEY DECISION ?	NO

1.0 EXECUTIVE SUMMARY

- 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 2011, Regulation 4(3).
- 1.2 This report outlines a planned approach for the production of the Council's Annual Governance Statement 2012/13.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 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.
- 2.2 The Framework identifies six core principles of good governance:
1. Focusing on the purpose of the Authority and on the 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.

2.3 **ANNUAL GOVERNANCE STATEMENT 2012/13**

2.4 The approach

The production of the Council's Annual Governance Statement will be based on relevant supporting evidence provided by Internal Audit, with the overall direction provided by the Chief Executive Strategy Group to ensure high level corporate engagement and ownership.

Internal Audit will be 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.

2.5 Evidence

Internal Audit will provide 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, covering such areas as:
 - Policy: Corporate Plan; Departmental Service Plans; Equalities And Diversity
 - Performance: Performance Management System; Performance Indicators; Improvement Plan
 - HR Systems: Gifts and Hospitality And Conflicts of Interest; Case Management; Absence Management; Confidential Reporting And Grievance Procedures
 - Risk Management: Corporate and Departmental
 - Constitution/Legal: Advice And Overview; Registered Interests
- b) Review of reports completed by external review agencies, e.g. the Audit Commission (now Grant Thornton), and the Care Quality Commission; so as to highlight key findings and actions to address any issues.
- c) 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 which specific areas of responsibility).

Following a review of the above, Internal Audit will compile a list of 'Areas of Good Practice' and 'Areas for Improvement' to be utilised in producing the Annual Governance Statement.

2.6 Timescales

A full draft will be reported for consideration by the Audit and Risk Management Committee on the 10th June 2013 with a final version reported to the Committee in September 2013. The Annual Governance Statement will be approved by the Leader and Chief Executive with appropriate sign off arrangements put in place.

3.0 **RELEVANT RISKS**

- 3.1 Potential failure of the Council to comply with the statutory requirement set out in the Accounts and Audit (England) Regulations 2011, Regulation 4(3).

4.0 OTHER OPTIONS CONSIDERED

4.1 Not applicable due to the statutory requirement.

5.0 CONSULTATION

5.1 Full consultation will take place with Members of the Council's Chief Executive Strategy Group and Cabinet Members regarding the production of the Annual Governance Statement.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

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 Chief Executive's Strategy Group, Cabinet and the Audit and Risk Management Committee to identify the appropriate action that will be taken.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 There are none arising directly from this report. Any implications identified in the production of the Annual Governance Statement will be reported to the Chief Executive's Strategy Group, Cabinet and the Audit and Risk Management Committee to identify the appropriate action that will be taken.

8.0 LEGAL IMPLICATIONS

8.1 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 2011, Regulation 4(3).

9.0 EQUALITIES IMPLICATIONS

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

There are none arising directly from this report. A full Equalities Impact Assessment will be undertaken and published with the draft Annual Governance Statement. This assessment will include actions that will be taken to address any implications that are identified.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from this report. Any implications identified in the production of the Annual Governance Statement will be reported to the Chief Executive's Strategy Group, Cabinet and the Audit and Risk Management Committee to identify the appropriate action that will be taken.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report. Any implications identified in the production of the Annual Governance Statement will be reported to the Chief Executive's Strategy Group, Cabinet and the Audit and Risk Management Committee to identify the appropriate action that will be taken.

12.0 RECOMMENDATIONS

12.1 That the approach and timescales for the production of the Annual Governance Statement is noted.

13.0 REASON FOR RECOMMENDATION

13.1 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 2011, Regulation 4(3).

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APPENDICES

None

REFERENCE MATERIAL

- CIPFA/SOLACE Delivering Good Governance in Local Government: Guidance Note and Framework (2007).
- CIPFA/SOLACE Delivering Good Governance in Local Government: Framework Addendum (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.

SUBJECT HISTORY (last 3 years)

The production of the Annual Governance Statement (AGS) is an annual exercise. This is the first report to be presented to Members as part of the 2012/13 process.

Report(s) are submitted to Audit and Risk Management Committee prior to a final AGS being submitted to Cabinet for consideration and approval (as part of the Statement of Accounts).