

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

10 JUNE 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 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 and will be accompanied by an action plan to address the governance issues identified.

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 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.

3.0 ANNUAL GOVERNANCE STATEMENT 2012/13

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 Chief Executive Strategy Group 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, 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. External Audit, Local Government Association, OFSTED, 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 within specific areas of responsibility).

Following a review of the above, Internal Audit has compiled a list of 'Areas of Good Practice' and 'Areas for Improvement' which has been utilised in developing the Annual Governance Statement.

3.3 Timescales

This report includes a full draft of the Annual Governance Statement to be considered by the Audit and Risk Management Committee. The draft statement will also be presented to Wirral's Improvement Board in July for consideration.

A final version of the Annual Governance Statement will be reported to the Committee in September 2013 and will be accompanied by a detailed action plan to address the governance issues identified. An updated code of corporate governance will also be reported to the September meeting of the Audit and Risk Management Committee.

The Annual Governance Statement will be approved by the Leader and Chief Executive with appropriate sign off arrangements put in place.

4.0 RELEVANT RISKS

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

5.0 OTHER OPTIONS CONSIDERED

5.1 Not applicable due to the statutory requirement.

6.0 CONSULTATION

6.1 Full consultation has taken place with members of the Council's Chief Executive Strategy Group regarding the production of the Annual Governance Statement.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

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 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 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.

9.0 LEGAL IMPLICATIONS

9.1 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).

10.0 EQUALITIES IMPLICATIONS

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

There are none arising directly from this report.

11.0 CARBON REDUCTION 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 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 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.

13.0 RECOMMENDATIONS

13.1 That the current draft of the Annual Governance Statement is considered and amended as necessary and timescales for the production of the 2012/13 Annual Governance Statement are noted.

14.0 REASON FOR RECOMMENDATION

14.1 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).

REPORT AUTHOR: **Lucy Barrow**
 0151 691 8006
 lucybarrow@wirral.gov.uk

APPENDICES

1. Draft Annual Governance Statement 2012/13

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 2012/13	19 th March 2013