

# WIRRAL COUNCIL

## AUDIT AND RISK MANAGEMENT COMMITTEE

18 MARCH 2014

SUBJECT:	ANNUAL GOVERNANCE STATEMENT 2013/14
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF INTERNAL AUDITOR
KEY DECISION?	NO

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report explains the planned approach for the production of the Council's Annual Governance Statement 2013/14. It provides an outline of the work required to prepare the Statement, and sets out indicative timescales.
- 1.2 The report also outlines the role of members and senior officers in the production of a robust and accurate Annual Governance Statement.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 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).
- 2.2 It is necessary for the Authority: to have approved and adopted its own 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 AGS the extent to which the governance processes outlined in the Code are operating effectively in practice.
- 2.3 As a public statement of the Council's governance arrangements, it is vital that the Annual Governance Statement is a robust and accurate reflection of the Council's approach to governance during 2013/14. Therefore, it is important that the members of this Committee and the Chief Executive's Strategy Group (CESG) provide the support and engagement required to produce such a document.

#### Approach

- 2.4 Internal Audit will conduct a review of the Council's governance arrangements, in accordance with the CIPFA/SOLACE Framework. The findings and relevant supporting evidence from this review will be provided to the Strategy Manager, who will produce the draft AGS.
- 2.5 Collation of assurances in relation to governance has been undertaken on an ongoing basis throughout the year by Internal Audit. In addition, a specific review of the requirements of the CIPFA/SOLACE guidance is being undertaken in the last quarter of the year. The work features the following main elements:

- A review of the adequacy and effectiveness of the key corporate governance controls (as prescribed by CIPFA/SOLACE), focusing on such areas as performance management, risk management, legal and member services, human resources, and neighbourhoods and engagement.
- Obtaining evidence of the implementation of the “Significant Governance Issues” included within the Annual Governance Statement 2012/13.
- Collation and review of Governance Assurance Statements.
- Review of reports completed by external review agencies, such as Grant Thornton, so as to highlight key findings and actions to address any issues.

2.6 On the basis of the findings arising from the review, Internal Audit will compile a list of ‘Areas of Good Practice’ and ‘Areas for Improvement’ to be considered for inclusion in the Annual Governance Statement.

### **Timescales**

- A Briefing Note will be prepared for CESG in April 2014, to summarise the findings of the Internal Audit review and to provide areas for consideration for inclusion in the AGS.
- A full draft AGS will be reported for consideration by this Committee in June 2014. Members of this Committee will have the opportunity to debate the Statement and contribute to the final version.
- The final AGS will be reported to the Audit and Risk Management Committee in September 2014.
- The Annual Governance Statement 2013/14 will be approved by the Leader and Chief Executive, with appropriate sign-off arrangements put in place.

### **3.0 RELEVANT RISKS**

3.1 Failure to produce an accurate and robust AGS in a timely manner would breach the Accounts and Audit Regulations, attract external criticism and potentially hinder the Council’s continued development of robust governance arrangements.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 No other options considered.

### **5.0 CONSULTATION**

5.1 A Briefing Note, setting out the approach to the production of the Annual Governance Statement 2013/14, was considered by CESG on 25 February 2014.

## **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 There are none arising from this report.

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

7.1 There are none arising from this report.

## **8.0 LEGAL IMPLICATIONS**

8.1 There are none arising from this report.

## **9.0 EQUALITIES IMPLICATIONS**

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

No, because there is no relevance to equality.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are none arising from this report.

## **12.0 RECOMMENDATION**

12.1 It is recommended that this Committee endorses and supports the approach outlined in this report with regards to producing the Annual Governance Statement 2013/14.

## **13.0 REASON FOR RECOMMENDATION**

13.1 The support and endorsement of this Committee is vital in ensuring that the AGS 2013/14 is a robust, accurate document, produced in a timely manner.

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## **REFERENCE MATERIAL SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	The Annual Governance Statement (in its draft and final form) is presented to this Committee each year.