

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

15 MARCH 2016

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| SUBJECT: | ANNUAL GOVERNANCE STATEMENT |
| WARD/S AFFECTED: | ALL |
| REPORT OF: | STRATEGIC DIRECTOR: TRANSFORMATION AND RESOURCES |
| KEY DECISION? (<i>defined in paragraph 13.3 of Article 13 'Decision Making' in the Council's Constitution</i>) | NO |

REPORT SUMMARY

This report explains the planned approach for the production of the Council's Annual Governance Statement (AGS) 2015/16. It provides an outline of the work required to prepare the Statement, and sets out indicative timescales.

The report also provides an update on the progress that the Council has made to address the significant governance issues identified in the Annual Governance Statement 2014/15.

RECOMMENDATIONS

It is recommended that this Committee endorses and supports the approach outlined in this report with regards to producing the Annual Governance Statement 2015/16.

It is recommended that this Committee endorses the progress made in addressing the 2014/15 Significant Governance Issues, and gives its support to any remaining actions deemed necessary to strengthen governance arrangements in these areas.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATIONS

- 1.1 The support and endorsement of this Committee is vital in ensuring that the AGS 2014/15 is a robust, accurate document, produced in a timely manner.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options considered.

3.0 BACKGROUND AND KEY ISSUES

- 3.1 The preparation and publication of an AGS is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2011, Regulation 4(3).

- 3.2 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 guidance *Delivering Good Governance in Local Government* (2012); and to report in the AGS the extent to which the governance processes outlined in the Code are operating effectively in practice.

- 3.3 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.

- 3.4 As a public statement of the Council's governance arrangements, it is vital that the AGS is a robust and accurate reflection of the Council's approach to governance during 2015/16. Therefore, it is important that the members of this Committee, Council's Cabinet and Strategic Leadership Team (SLT) provide the support and engagement required to produce such a document.

4.0 PRODUCTION OF ANNUAL GOVERNANCE STATEMENT 2015/16

- 4.1 Internal Audit is responsible for undertaking the relevant assurance work to support the AGS; however it is important to note that the Statement is not owned by the audit function and is a Council statement on the effectiveness of its governance processes.

The preparation of the statement will therefore be led by the Council's Strategic Leadership Team and will be approved by the Leader and Chief Executive.

4.2 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, featuring 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, and Human Resources.
- Obtaining evidence of the implementation of the "Significant Governance Issues" included within the Annual Governance Statement 2014/15.
- Collation and review of Governance Assurance Statements.

4.3 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.

4.4 A full draft AGS will be reported for consideration by this Committee in June 2016. 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 2016.

5.0 REVIEW OF SIGNIFICANT GOVERNANCE ISSUES 2014/15

5.1 The Annual Governance Statement 2014/15 outlined the following Significant Governance Issues:

- ICT Business continuity and resilience plans (*carried forward from 2013/14*)
- Corporate procurement arrangements (*carried forward from 2013/14*)
- Absence management (*carried forward from 2013/14*)
- Culture (*identified 2014/15*)

5.2 Regular reports are presented to the Corporate Governance Group, Strategic Leadership Team and the Portfolio Holder for Governance, Commissioning and Improvement to ensure that robust actions are in place to address the governance issue, and that sufficient progress is being made.

5.3 Appendix 1 presents the most recent position in relation to the governance issues. Audit and Risk Management Committee is requested to review the progress made and consider any further actions required to satisfy the Committee that the governance arrangements relating to these issues are robust.

6.0 FINANCIAL IMPLICATIONS

6.1 There are none arising from this report.

7.0 LEGAL IMPLICATIONS

7.1 There are none arising from this report.

8.0 RESOURCE IMPLICATIONS

8.1 There are none arising from this report.

9.0 RELEVANT RISKS

9.1 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.

10.0 ENGAGEMENT/CONSULTATION

10.1 The preparation of the Annual Governance Statement is led by the Council's SLT and is based on evidence provided by Internal Audit. A draft of the AGS will be considered by the Portfolio Holder for Governance, Commissioning and Improvement, external audit and Audit and Risk Management Committee in June. A final draft of the AGS will be signed off by the Leader and Chief Executive and will be reported to Audit and Risk Management Committee and Cabinet in September.

11.0 EQUALITY IMPLICATIONS

11.1 There are none arising from this report.

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APPENDICES

Appendix 1: Significant Governance Issues 2014/15

REFERENCE MATERIAL

"Delivering Good Governance in Local Government" CIPFA, 2012.

SUBJECT HISTORY (last 3 years)

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