

Bath & North East Somerset Council

MEETING:	Corporate Audit Committee	
MEETING DATE:	4th February 2014	AGENDA ITEM NUMBER
TITLE:	Annual Governance Review 2013/14	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 - Annual Governance Review Process		

1. THE ISSUE

- 1.1 This report has been prepared to inform the Corporate Audit Committee on the work underway and planned to complete the Annual Governance Statement 2013/14 Review.

2. RECOMMENDATION

- 2.1 The Committee is asked to:
- 2.2 Note the process & timetable for the Annual Governance Review 2013/14.
- 2.3 Provide any comments about the process and the input of the Committee to the review.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications relevant to this report.

4. THE REPORT

4.1 Background

4.2 In 2006 the Accounts and Audit Regulations were updated and in 2007 CIPFA / SOLACE published revised guidance 'Delivering Good Governance in Local Government'. This requires all Authority's to carry out an 'Annual Governance Review' and to publish an 'Annual Governance Statement' as part of the Council's Statutory Statement of Accounts. The process adopted by the Council for producing the statement is shown in **Appendix 1**.

4.3 The governance statement covers all significant corporate systems, processes and controls, spanning the whole range of a council's activities including in particular those designed to ensure the council is:

- implementing policies as it intends;
- delivering high-quality services, efficiently and effectively;
- meeting its values and ethical standards;
- complying with relevant laws and regulations;
- adhering to required processes e.g. risk management;
- publishing accurate and reliable financial statements and other performance information; and
- managing human, financial, environmental and other resources efficiently and effectively.

4.4 The Corporate Audit Committee is required to consider the Annual Governance Statement prior to final approval and monitor progress on the significant issues and actions identified in the previous year's statement.

4.5 The Annual Governance Statement 2012/13 was considered by the Committee in May 2013. The Statement signed at the end of June 2013 included one single 'Significant' issue:-

Conflicts of Interest/Financial Management

In one service a small number of grants and contracts had been inappropriately allocated.

In addition, to the failure to declare the conflict of interest, budgetary management and governance had not followed agreed council procedures leading to an over spend within one Cost Centre. Whilst this was an isolated set of circumstances and there was no material effect on the Council's financial position, significant resources were still required to resolve the situation.

All the necessary actions related to this issue have been implemented. The S151 Officer has reviewed and updated the budget management scheme and financial reporting of virements. The Council Solicitor has reviewed the relevant contractual arrangements and recommended improvements and options to resolve. The Head of Audit has reviewed the system for allocation of grants and contracts, whistleblowing arrangements and the system for declaration of interests.

4.6 **Annual Governance Review Process & Timetable 2013/14**

4.7 The Risk & Assurance Service will:-

- Manage the process, collating and analysing information from across the Council (Jan. to June 2014).
- Consult Senior Officers / Members to identify issues to be recorded in AGS (Feb. to June 2014).
- Report to Corporate Audit Committee / Cabinet (May / June 2014).
- Obtain sign-off by Chief Executive and the Leader of the Council and make available for inclusion in the Council's Statutory Statement of Accounts (June 2014).

5 RISK MANAGEMENT

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

5.2 This report has been prepared to 'inform' the Committee in line with the Committee's adopted 'Terms of Reference'. Failure to report progress regarding the Annual Governance Statement would mean that the Committee is failing in its prescribed responsibility. This would also be identified through the Councils own governance review and the Audit Commissions external audit.

6 EQUALITIES

6.1 A proportionate equalities impact assessment has been carried out and there are no significant issues to report.

7 CONSULTATION

7.1 A copy of this report was distributed to the S151 Officer for consultation.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	