

Bath & North East Somerset Council

MEETING:	Corporate Audit Committee	
MEETING DATE:	13th May 2014	AGENDA ITEM NUMBER
TITLE:	Annual Governance Statement	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Annual Governance Review – Outline of Framework.		

THE ISSUE

The aim of the report is to update the Committee on the Annual Governance Review and allow the Committee to contribute to the process which will result in the publication of the Council's Annual Governance Statement 2013/14.

RECOMMENDATION

The Corporate Audit Committee is asked to note progress of the review and comment on the issues being considered within the Annual Governance Review.

FINANCIAL IMPLICATIONS

3.1 A robust review of the Council's internal control and governance framework and the subsequent implementation of action plans form an essential part of the financial management framework.

THE REPORT

1.1 In 2007/2008 the Council revised its Code of Governance and its methodology for producing an Annual Governance Statement based on the Accounts & Audit Regulations and the CIPFA / SOLACE 'Delivering Good Governance in Local Government'.

1.2 The methodology requires:-

- The involvement of all Divisional Directors
- The use of Service Specialists to review evidence with relation to :-
 - Finance
 - Strategic Performance
 - Corporate Communications
 - Information Governance
 - Human Resources
 - Health & Safety
 - Environmental Impact & Sustainability
 - Equalities & Diversity
 - Safeguarding
 - Procurement

4.3 The review of governance covers all significant corporate systems, processes and controls, spanning the whole range of Council activities, including in particular those designed to ensure:

- Council policies are implemented;
- Quality services are delivered efficiently and effectively;
- Council's values and ethical standards are met;
- Compliance with laws and regulations;
- Financial statements and other published performance information are accurate and reliable;
- Human, financial, environmental and other resources are managed efficiently and effectively.

4.4 The review is now in its final stages and issues are being considered based on evidence collected and assessed as part of the review process. At this moment it is unlikely there will be any significant issues recommended for inclusion, however this is an on-going process and an update will be provided for Members at the time of the meeting.

4.5 The consultation process for deciding which issues should be included on the Statement begins with this report and will also include senior management and the Cabinet.

4.6 The Annual Governance Statement is a 'management' statement and as such is signed by the Chief Executive and Leader of the Council.

4.7 In deciding which issues are 'significant' Councils are required to exercise sound judgement and guidance is limited to that provided by the Chartered Institute of Financial Accounts (CIPFA) as follows:

- The issue has seriously prejudiced or prevented achievement of a principal objective;
- The issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in a significant diversion of resources from another aspect of the business;
- The issue has led to a material impact on the accounts;
- The audit committee, or equivalent, has advised that it should be considered significant for this purpose;
- The 'Head of Internal Audit' has reported on it as significant, for this purpose, in the annual opinion on the internal control environment;
- The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation;
- The issue has resulted in formal action being taken by the Chief Financial Officer and / or the Monitoring Officer.

4.8 Work on the governance review will continue following this Committee meeting. Key milestones in finalising the Annual Governance Statement are:

- 1) Report to Senior Management Team (June 2014).
- 2) Chief Executive & Leader of the Council sign the Statement (30th June 2014).
- 3) Final approval as part of the Annual Accounts (30th Sept 2014)

4.9 The implementation of Annual Governance Statement actions if there are any significant issues will be monitored by the Corporate Audit Committee.

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. No significant issues to report for the Committee.

6. EQUALITIES

6.1 A proportionate equalities impact assessment has been carried out using corporate guidelines, no significant issues to report.

7. CONSULTATION

7.1 The report was consulted on with the S151 Officer for comment.

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Background papers	None
Please contact the report author if you need to access this report in an alternative format	