

REPORT TO GOVERNANCE AND AUDIT COMMITTEE

REPORT OF: HEAD OF FINANCE

REPORT NO.: HOF239

DATE: 27th June 2013

TITLE:	ANNUAL GOVERNANCE STATEMENT (DRAFT) 2012/13	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Paul Carpenter Governance and Communication Portfolio Holder	
CONTACT OFFICER:	Richard Wyles, Head of Finance r.wyles@southkesteven.gov.uk 01476406210	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below: N/A	Full impact assessment Required: N/A
Equality and Diversity		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	Agendas and Minutes of Governance & Audit Committee Meetings 2012/13 and other related documents - available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	

1. RECOMMENDATION

It is recommended that the Committee reviews the contents of the Draft Annual Governance Statement (AGS) and provide feedback on its contents to ensure it accurately reflects the last financial year.

2. PURPOSE OF THE REPORT

The Council is required to produce an AGS in accordance with the CIPFA/SOLACE¹ Framework “Delivering Good Governance in Local Government” to meet the statutory requirement set out in Regulation 4(3) of the Accounts and Audit Regulations 2011. The Statement is an open and transparent review of the effectiveness of the Council’s system of governance, risk management and internal control, including performance across all of its activities.

The Statement also takes account of the addendum on Delivering Good Governance in Local Government: a Framework published in December 2012 by CIPFA. This has been developed to advise on the application of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government under the CIPFA/SOLACE framework. It illustrates how the governance requirements to support the principles in the CFO Statement need to be reflected in the Local Code of Governance and hence the AGS.

3. DETAILS OF REPORT

The draft Statement, attached in the Appendix A incorporates the findings contained in the Annual Internal Audit Report and key reports published by the Audit Commission, including the Annual Governance Report (AGR) and the Annual Audit Letter (ALL). Members will be aware that since October 2012 KMPG have been appointed as the Councils external auditors but the Audit Commission were still in being with the AGR and ALL were produced. The Statement is also forward looking because it makes reference to an action plan which looks at the key areas the Council will focus on during 2013/14. It can be further amended to reflect any feedback from the Governance and Audit Committee prior to its submission for approval alongside the Statement of Accounts 2012/13 at the meeting on 23rd July 2013.

Members of this Committee, being “those charged with governance” on behalf of the Council, are asked to review and scrutinise the contents of the AGS based on the work undertaken during the last financial year.

4. OTHER OPTIONS CONSIDERED

The production of an AGS is a statutory requirement so no other options are available.

5. RESOURCE IMPLICATIONS

The report has no direct impact on the Council’s resources, including finance/budget, people, land/property, etc.

6. RISK AND MITIGATION

If an AGS is not included within the Statement of Accounts the Council is at risk of having its accounts qualified for non compliance with its statutory responsibilities.

¹ CIPFA – Chartered Institute of Public Finance and Accountancy. SOLACE – Society of Local Authority Chief Executives.

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

N/A

8. CRIME AND DISORDER IMPLICATIONS

N/A

9. COMMENTS OF FINANCIAL SERVICES

Good corporate governance arrangements are vitally important to all tax payers and residents. The AGS is an open and transparent document which clearly demonstrates the work the Council is undertaking to ensure good governance arrangements remain in place. There are no specific financial comments to make with respect to this report.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The draft Annual Governance Statement has been developed in accordance with guidance issued by CIPFA and SOLACE on the delivery of good governance in Local Government. Any feedback given by the Committee will be incorporated in the final draft statement where appropriate and, if approved by the Leader and Chief Executive, will be reported alongside the Statement of Accounts for 2012-13.

11. COMMENTS OF OTHER RELEVANT SERVICES

N/A

12. APPENDIX

Appendix A - Draft 2012/13 Annual Governance Statement