



TO: Audit Committee

FROM: Audit & Assurance Manager

DATE: 15 January 2013

PORTFOLIOS AFFECTED:

All

WARDS AFFECTED:

All

TITLE OF REPORT: Annual Governance Statement (AGS) – Progress on 2011/12 Actions and Action Plan for 2012/13

1. PURPOSE

To update Members on the progress of the Governance Issues set out in last year's AGS and on the steps to be taken for producing the Statement for 2012/13.

2. RECOMMENDATIONS

Members are asked to note progress to date and the outline plan for this year.

3. KEY ISSUES

The AGS is a statutory document. It is published each year with the Year-end Accounting Statements. It sets out what the Council's governance arrangements are. It also identifies those areas where issues, that the Council considers are of sufficient significance, must be reported.

AGS for 2011/12

In 2011/12 six areas were reported. This included a group brought forward from 2010/11.

The areas are:

- Business Continuity Planning;
- Procurement;
- Project Management;
- Council Constitution;
- Information Governance; and
- Integrated Childrens Software.

Details of progress are shown in Appendix 1. There are still actions to be undertaken but all are in progress and they are largely in accordance with the targets set in the published AGS.

Action Plan for 2012/13

MAF is the cornerstone of the process. The quarterly information, provided by Heads of Service, and the quarterly reports, including actions, and the challenges at Programme Area Meetings (PAMs), in an informal sense, provide regular, partial AGSs to the Chief Executive. There are certain pieces of information that are only needed annually so the quarterly reporting is not a complete process.

Directors complete a statement of assurance annually, confirming that they are responsible for reviewing the effectiveness of the governance arrangements, including the system of internal control and risk management processes operating within their Directorate and within the Council as a whole. The stages for 2012/13 are:

- Circulation of Directors statement of assurance – early March
- Quarter 4 MAF challenges - before the end of April
- PAM reports to CESG – early May
- Collation and review of other sources of assurance, both external (e.g. from partners, External Audit and OfSted) and internal (e.g. Standards Committee) by Audit & Assurance before consideration by PAG – mid-May
- Consideration of reports by the Primary Assurance Group (PAG) – mid-May
- Production of the draft AGS by PAG for CESG to consider – end of May
- Consultation with External Audit – end of May
- Review by Audit Committee – June
- Publication late 2013.

It should also be noted that a new addendum to support the annual governance statement for 2012/13 onwards has now been published by CIPFA, along with an updated Guidance Note, to provide additional guidance on key areas of change since the launch of the framework in 2007. These documents will be used in the preparation of the 2012/13 AGS to assist the Council in reviewing the governance arrangements in place to ensure that these continue to be adequate and effective.

4. RATIONALE

The AGS is, as mentioned, a statutory statement which is a product of the Council's own review of its framework of governance. The governance framework comprises the systems and processes, the culture and values, by which the organisation is directed and controlled, and its activities through which it accounts to, engages with and leads the community. The framework itself is based on guidance issued by CIPFA/SOLACE. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

5. POLICY IMPLICATIONS

The Code of Corporate Governance sets out the core principles for good governance. These guide the Council's policy making.

6. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the AGS process.

7. LEGAL IMPLICATIONS

The Council's preparation and publication of an annual AGS, that accords with the CIPFA/SOLACE Framework, is necessary to meet the statutory responsibility

(set out in Regulation 4(2) of the Accounts & Audit Regulations 2006) to prepare a statement of internal control that meets the requirement of proper practice.

8. RESOURCE IMPLICATIONS

There are no resource implications arising from this AGS process.

9. CONSULTATIONS

Strategic Director Resources (as Chair of the Primary Assurance Group);
Director of Finance.

CONTACT OFFICER: Colin Ferguson – Audit & Assurance Manager

DATE: 19 December 2012

BACKGROUND PAPERS: AGS for 2011/12