



GA.13 13/14

**Governance and Audit
Committee**

26th September 2013

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Subject: Annual Governance Statement and Action Plan

Report by:

Chief Executive

Contact Officer:

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Purpose / Summary:

To present to members the Annual Governance Statement for 2012/13

RECOMMENDATION(S):

**1) That Members approve the annual
Governance Statement**

IMPLICATIONS

Legal:

The Annual Governance Statement must comply with the Accounts and Audit (England) Regulations 2011

Financial:

None

Staffing:

None

Equality and Diversity including Human Rights:

None

Risk Assessment:

Risk management arrangements are part of corporate governance and issues raised under these arrangements have been included in the Annual Governance Statement

Climate Related Risks and Opportunities:

None

Background Papers:

The following background papers were used in the preparation of this report. If none were used then please state.

Title:	Location of Background Papers:
Internal Audit Annual Report	H:\Audit Reports\Internal
Accounts and Audit (England) Regulations 2011	
CVIPFA Delivering Good Governance in Local Government Framework December 2012	

Call in and Urgency:

Is the decision one to which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

1. Introduction

- 1.1 The Annual Governance Statement is a formal statement, under the Accounts and Audit (England) Regulations 2011 that details the Council's governance arrangements and issues for the previous year, as an annual report of governance.
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that we make the best use of all of resources.
- 1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are "doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner.
- 1.4 The Council is required to produce an Annual Governance Statement for approval by 30th September to accompany the Council's statement of accounts.
- 1.5 The Annual Governance statement includes a summary of the governance framework and identifies those areas where further action is needed to achieve full assurance.

2. Developing the Annual Governance Statement

- 2.1 Sources of information to develop the Statement have been:
 - The development of the framework itself
 - Internal Audit Annual report
 - Internal Audit limited assurance reports
 - The management of risk and corporate risks
 - External Audit Annual Audit Letter
 - Ombudsman investigations
 - Complaints and lessons learnt
 - Consultation results
 - Corporate functions assurance statements – Legal, Health and Safety, ICT, procurement.
 - Service Heads – any service or performance issues, including signed assurance that the internal control and governance assurance framework has been upheld, covering:
 - Review of key controls
 - Budget setting and allocation of resources
 - Performance management
 - Risk Management
 - Financial and legal implications.
 - The position with actions to achieve assurance from the 2011/12 Annual Governance Statement Action plan.

3. The Framework

- 3.1 The Governance Framework follows the six CIPFA principles of good governance and is formed by the systems and processes, standards, policies and activities through which it accounts to, engages with and leads the community.
- 3.2 Under each of the principles we have identified improvements that have taken place during the year, activity to support the principle, any significant issues and actions that will be undertaken to address any issues or to develop the principles further.

4. Issues

Issues that continue to be of a concern with regards to good governance to be resolved over the next year are:

1. **Outcomes performance management** – ensuring that our targets, measurements and outcomes in corporate planning measure the difference that we are making and that there are strong links with financial planning.
2. **Risk Management** – ensuring that risk management is embedded within the organisation and improves and informs performance, decision-making and resource allocation. This needs to take into account the changes to the organisation. Management of corporate risks should focus on what is of corporate importance to the Council.
3. **Project management** – to be assured that projects are managed in accordance with our project management principles and that these are embedded and integral to how projects are successfully managed and delivered, and that risk and resources are fully taken account of. Robust governance, project management and budget management practices should be applied.
4. **Joint Planning Unit** – to be assured that an action plan is being followed to take the Core Strategy through to adoption and that an amendment to the Local development Scheme is approved by the Lincolnshire Joint Strategic Planning Committee.
5. **Information Governance** –to ensure a clear structure for information governance and monitoring ICT security compliance.
6. Ensuring that **Finance Matters** project delivers appropriate checks and training for managers in financial planning.
7. **Constitution** – to ensure that this furthers open and transparent decision making.
8. **ICT Infrastructure** – to ensure that the Council is sufficiently protected against breach of security.