

ANNUAL GOVERNANCE STATEMENT 2014/15

Report of the Chief Legal and Democratic Services Officer and Monitoring Officer (melanie.clay@centralbedfordshire.gov.uk)

Purpose of this report: The report seeks the Committee's approval to the draft Annual Governance Statement.

RECOMMENDATIONS

The Audit Committee is asked to:

1. Approve the draft Annual Governance Statement attached as Appendix A.

CORPORATE IMPLICATIONS

Council Priorities:

A sound system of corporate governance provides the framework and assurance within which the Council can deliver its priorities with confidence. Corporate governance is the means by which the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. The Annual Governance Statement shows how the Council has complied with the Code in the relevant financial year, how the Council has monitored the effectiveness of its governance arrangements during the year and identified any planned changes.

Financial:

1. The Annual Governance Statement is an accompanying document to the Council's Statement of Accounts for 2014/15, but this report has no financial implications.

Overview and Scrutiny Comments:

2. The Audit committee is responsible for overseeing the production of the Annual Governance Statement and therefore this matter has not been considered by the Overview & Scrutiny Committees.

Legal:

3. The Accounts and Audit Regulations 2011 (as amended) require the Council to conduct an annual review of its systems of internal control. The preparation of an Annual Governance Statement forms part of that process. The most up-to-date thinking on good governance for the public sector is the new International Framework: Good Governance in the Public Sector (2014), developed jointly by CIPFA and the International Federation of Accountants (IFAC).
4. The International Framework states:
 - Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
 - The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times.
 - Good governance is characterised by robust scrutiny, which places important pressures on improving public sector performance and tackling corruption.

Risk Management:

5. The Annual Governance Statement identifies any significant governance issues and, where appropriate, these have been identified in the Council's Corporate Risk Register, together with mitigating action to reduce the level of the risk.

Background:

6. The Audit Committee's terms of reference include responsibility for overseeing the production of the Council's Annual Governance Statement.
7. The Annual Governance Statement adopts an established format that has been effectively used by the Council over the preceding 4 years.
8. The Annual Governance Statement is intended to demonstrate how the Council has achieved the principles contained in the Code of Corporate Governance in the current financial year.

9. The draft Annual Governance Statement has been considered by CMT and identifies significant governance issues that the Council has had to manage during 2014/15. These are referred to in paragraph 5 of the Statement.
10. The Audit Committee is asked to consider whether the draft Annual Governance Statement accurately reflects the governance arrangements and the management of risk.

Conclusion and next Steps

11. If approved by the Audit Committee, the Statement will be submitted to the Leader and Chief Executive for formal sign off.

Appendices

Appendix A – Draft Annual Governance Statement 2014/15

Background Papers: (open to public inspection)

Code of Corporate Governance

Location of papers:

Priory House, Chicksands