

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee 27 June 2014
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SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2013/14

Purpose

1. To consider and endorse the draft Annual Governance Statement 2013/14 prior to the statement being signed by the Leader and Chief Executive and being included in the statement of accounts for the year ending 31st March 2014.

Recommendations

2. That the Committee:
 - a) considers and approves the draft Annual Governance Statement and notes the information which supports the report;
 - b) notes that the final version of the Statement will be updated following the receipt of the External Auditors Opinion.

Background

3. The requirement to publish an Annual Governance Statement ("the AGS") is a statutory requirement which was introduced with effect from the 2007/2008 financial year. The AGS provides public assurance about the effectiveness of the Council's system of internal control and the Council's corporate governance arrangements and assurance framework.
4. The CIPFA/SOLACE governance framework "Delivering Good Governance in Local Government" brings together an underlying set of legislative requirements, governance principles and management processes and highlights the fact that good governance relates to the whole organisation. Six core principles of governance in the framework focus on the systems and processes for the direction and control of the Council and its activities through which it accounts and engages with the community.

Considerations

5. The functions of the Corporate Governance Committee include consideration of the AGS prior to its inclusion in the annual statement of accounts. The AGS should explain the governance framework operating during the accounting period, assess the effectiveness of those controls and identify any significant issues and associated actions.
6. The draft AGS is **attached**. It retains the revised format first used for the 2012-2013 AGS, mapping core principles to the Council's performance framework into a simpler, plain English document which presents a strategic overview of good governance, with links and appendices providing the more detailed evidence base.

7. In order to provide better integration between performance and governance, Appendix A to the AGS provides a summary of Corporate Plan achievements during 2013-14.
8. The draft AGS includes the External Audit “unqualified” opinion for 2012/13 that the council has followed the right accounting processes, delivered value for money and that the Council’s finances were adequately presented. The AGS will be updated with the External Audit opinion for 2013/14 when it is received.
9. No “significant” governance issues have been identified in this year’s AGS, which concludes that the council was well-governed during 2013-2014 (This is subject to confirmation by internal audit).

The year ahead

10. There are a number of significant new governance challenges for the council in the year ahead which will need the scrutiny and input of the Corporate Governance Committee, including the City Deal, the council’s Housing Company and possible shared services arrangements with other councils.
11. Two nominees from the Committee have been asked to join a City Deal working group, sitting alongside other members from Scrutiny and Partnerships Review. It is also intended that the Corporate Governance Committee works alongside the auditor to oversee the governance of the Housing Company. Members of the Committee will be invited to get informed and involved in the company’s governance informally over the summer months with a formal report coming to the September meeting, which will ask members to endorse the approach that is being taken to the governance of the company.

Implications

Financial

12. Good corporate governance and internal controls reduce the risk to the Council of financial loss.

Legal

13. It is a statutory requirement to produce an Annual Governance Statement under the Accounts and Audit (Amendment) (England) Regulations 2006 and the Statement of Reporting Practice 2007 (CIPFA). Operating good corporate governance and internal control systems should demonstrate high ethical standards.

Risk Management

14. Failure to produce an Annual Governance Statement would affect the approval of the statement of accounts.

Equality and Diversity

15. Preliminary screening of the statement identified no significant equality and diversity implications, therefore a full Equality Impact Assessment is not required.

Effect on Strategic Aims

16. Delivering strategic objectives in an open, accountable and transparent manner provides evidence of strong governance. Improved service performance and a well-run business are key themes running through the Council’s 2013-14 Corporate Plan.

Background Papers: the following background papers were used in the preparation of this report:

Annual Governance Statement 2012/2013

Delivering Good Governance in Local Government – Guidance and Framework
published by CIPFA 2007

Annual Audit Letter 2012/13

Equality Impact Assessment: Initial Screening Document

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