



REPORT TO: Corporate Governance Committee 26 September 2014
LEAD OFFICER: Executive Director (Corporate Services)/Legal and Democratic Services Manager

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2013/14

Purpose

1. To consider and approve 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 considers and approves the amendments to the draft Annual Governance Statement proposed by the external auditors as set out in the appendix.

Background

3. The requirement to publish an Annual Governance Statement ("the AGS") is a statutory requirement, which aims to provide 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. The Corporate Governance Committee agreed at its March 2013 meeting that it would instruct officers and the internal auditors to produce a revised format for the 2012/13 AGS to make it more accessible to members of the public. It was concluded that the six governance principles should be mapped to the Council's performance framework as it is widely agreed that good governance is usually linked to good performance. This format has been continued with the 2013/14 AGS, which is appended to this report.

6. No "significant" governance issues have been identified in this year's AGS. The draft AGS includes the anticipated External Audit "unqualified" opinion for 2013/14 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 following the meeting.
7. The external auditors have made a number of suggested amendments to the draft AGS following a more in-depth consideration than last year, when new external audit arrangements had just been put in place. The amendments aim to add some more detail to certain sections of the AGS to ensure it clearly demonstrates compliance with the CIPFA guidance.

Implications

8. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

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

Legal

10. 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.

Staffing

11. None.

Risk Management

12. Failure to produce an Annual Governance Statement would affect the approval of the statement of accounts and the use of resources assessment

Equality and Diversity

13. None

Consultations

14. The Executive Management Team, other senior officers, Internal Audit and External Audit were consulted as part of the preparation of this report.

Effect on Strategic Aims

15. The Annual Governance Statement covers the whole range of Council activities and the way in which it implements its policies and values reflecting the strategic aims of the authority.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;

- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

Annual Governance Statement 2012/2013

Delivering Good Governance in Local Government – Guidance and Framework published by CIPFA 2007 & 2012

Report Author: Fiona McMillan – Legal and Democratic Services Manager
Telephone: (01954) 713027