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| Report for: | Corporate Committee 26 June 2014 | Item number | |
| Title: | Annual Governance Statement 2013/14 | | |
| Report authorised by : | Assistant Director of Corporate Governance | | |
| Lead Officer: | Anne Woods, Head of Audit and Risk Management Tel: 020 8489 5973 Email: anne.woods@haringey.gov.uk | | |
| Ward(s) affected: ALL | Report for: Non-Key Decision | | |

1. Describe the issue under consideration

- 1.1 To inform the Corporate Committee of the requirements of the statutory Annual Governance Statement (AGS) and provide a draft statement relating to the 2013/14 financial year for review and approval.
- 1.2 The Corporate Committee is responsible for approving the Council's draft AGS as part of its Terms of Reference. In order to facilitate this, and provide information on its sources of assurance from across the Council, reports have been provided on a regular basis for the Corporate Committee, culminating in the production of the draft AGS.

2. Cabinet Member Introduction

- 2.1 Not applicable

3. Recommendations

- 3.1 The Corporate Committee review and approve the draft 2013/14 AGS.
- 3.2 That the Corporate Committee notes the approval timescale and processes for the draft 2013/14 AGS.

4. Other options considered

- 4.1 Not applicable.

5. Background information



- 5.1 The Council is required to produce an Annual Governance Statement (AGS) for publication with the Council's annual accounts. The AGS comments on the Council's governance framework as a whole. Corporate governance brings together an underlying set of legislative requirements, governance principles and management processes.
- 5.2 The preparation of an AGS is a statutory requirement of the Accounts and Audit (amendment) (England) Regulations 2011. These regulations require local authorities to produce an annual statement, in accordance with 'proper practice'.

6. Annual Governance Statement

- 6.1 In order to comply with the statutory reporting deadlines, the AGS for 2013/14 has to be approved by 30 June 2014. The Leader and Chief Executive will need to obtain sufficient assurance that responsibilities have been adopted at a corporate level and adequate processes exist and are effective before they sign the AGS.
- 6.2 Prior to its final approval, the Council needs to demonstrate that the AGS has been reviewed and agreed by relevant senior managers across the authority and an appropriate member body. The Statutory Officers' Group have reviewed a draft AGS and a copy of this is provided at Appendix A. This has been produced in line with the guidance issued by CIPFA in their report 'Delivering Good Governance', the 2012 guidance note; and from recommendations made by Grant Thornton in their 2012 national review of governance in local government: 'Improving Council Governance'.
- 6.3 The AGS format is linked to the Council's published Local Code of Corporate Governance; and demonstrate the processes and assurances the Council has in place to fulfil its requirements under its Local Code.
- 6.4 It is acknowledged that the draft AGS is presented for review prior to the statutory external audit of the accounts. Initial discussions with Grant Thornton have not identified any further issues that they would expect to be included in the draft AGS at this stage. However, any significant governance or internal control issues which arise as a result of the final accounts audit can be included in the AGS and re-submitted for officer and member consideration and approval before the closure of the statutory audit period on 30 September 2014.
- 6.5 Corporate governance is an important element of the external assessment processes. The annual accounts, including the AGS, are subject to audit by the council's external auditors. While the whole of the financial statements may not be qualified, an incorrect or inaccurate AGS may be raised as a recommendation by the external auditors.

7. Comments of the Chief Financial Officer and Financial Implications



- 7.1 There are no direct financial implications arising from this report. The work within service areas which supports and provides evidence for the AGS, is contained and managed within their revenue budgets. Service departments manage risks and governance arrangements as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.
- 7.2 Internal audit undertake reviews to confirm the evidence and assurance statement submitted by service areas and Directors/Assistant Directors. Additionally, the Head of Audit provides an annual report to support the assurance processes for the AGS. This work is part of the annual internal audit plan and costs are included within Audit and Risk Management's budget.
- 7.2 The Chief Financial Officer confirms that the presentation of the attached draft AGS for approval by this Committee meets the Council's statutory requirement under the 2011 Accounts and Audit Regulations.

8. Comments of the Assistant Director, Corporate Governance and Legal Implications

- 8.1 The Assistant Director, Corporate Governance has been consulted in the preparation of this report and in noting that the responses to the issues contained in the report all follow the law; corporate procedures; industry best practice advises that there are no direct legal implications arising from the report.

9. Equalities and Community Cohesion Comments

- 9.1 This report deals with governance arrangements and their implementation across all areas of the Council, which have an impact on various parts of the community. Improvements in managing governance will therefore improve services the Council provides to all sections of the community.

10. Head of Procurement Comments

- 10.1 Not applicable.

11. Policy Implications

- 11.1 There are no direct implications for the Council's existing policies, priorities and strategies. However, ensuring that the Council has effective governance arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

12. Use of Appendices

- 12.1 Appendix A – Draft Annual Governance Statement 2013/14.