

Audit Committee

29 July 2013

Amendments to the Draft Annual Governance Statement for the year April 2012 – March 2013



Addendum to Agenda Item 7

Report of Don McLure, Corporate Director, Resources

Purpose of the Report

1. This report provides an update of amendments made to the draft Annual Governance Statement (AGS) following consideration of an initial draft by the Audit Committee at the meeting on 27 June 2013. This is an addendum to agenda item 7, 'Statement of Accounts for the year ended 31 March 2013'.

Background

2. At the meeting on 27 June 2013, the Audit Committee approved a draft AGS, subject to certain amendments, prior to being reported to full Council for information.
3. A revised draft, incorporating the amendments requested by the Committee, has been issued for consideration by Council at its meeting on 24 July 2013.
4. Due to timing issues relating to the publication of the draft Statement of Accounts, the draft AGS included in the Statement of Accounts to be considered at this Audit Committee meeting, (page 245 of the report pack), does not reflect these amendments.
5. This report highlights these amendments, referencing the page numbers in the report pack, to provide an audit trail for the Committee:
 - Page 246 of the report pack – Additional wording to highlight that **'The key risk facing the Council is the challenge of managing unprecedented budget reductions in the current period of economic austerity. To meet this challenge, the arrangements in place will equip the Council well for dealing with further austerity measures announced as part the latest central government spending review.'**
 - Page 254 of the report pack:
 - A conclusion to the report, namely **'In conclusion, we are satisfied that the Council's corporate governance arrangements in place during 2012/13 were sound and that improvements identified will further strengthen the management of the Council to response to new challenges ahead.'**

- Rewording the governance improvement related to value for money to reflect that it will help the Council in delivering the Medium Term Financial Plan (MTFP) savings. The reworded improvement is **'Whilst the Council has a good track record of delivering efficiency savings identified in its MTFP, the effective management of further budget reductions is a key strategic risk for the Council going forward. All services have actions in their Service Plans around securing Value for Money (VFM) and achieving MTFP savings targets. This will be strengthened by further developing systems to measure and demonstrate how and where VFM is being achieved through a more co-ordinated corporate benchmarking approach. This may identify potential further efficiency savings and will provide further assurance that the budget reductions required are being delivered in the right areas for the Council to achieve its objectives and priorities.'**
 - Remove the proposed governance improvement for Localities, as this was not considered a significant issue to report in the AGS.
6. The final proposed AGS will be incorporated in the Final Statement of Accounts and reported for formal approval by the Audit Committee at its meeting on the 30 September 2013.

Recommendations and reasons

7. Audit Committee note the amendments made to the draft Annual Governance Statement as reported to Council.

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Appendix 1: Implications

Finance - Financial planning and management is a key component of effective corporate governance.

Staffing - Ensuring the adequate capability of staff meets a core principle of the Chartered Institute of Public Finance Accountants/ Society of Local Authority Chief Executives (CIPFA/ SOLACE) guidance.

Risk – Delivery of the corporate governance action plan will strengthen the decision making and strategic and operational management of the Council's business.

Equality and Diversity/ Public Sector Equality Duty - Engaging local communities including hard to reach groups meets a core principle of the CIPFA/ SOLACE guidance.

Accommodation – None directly, although asset management is a key component of effective corporate governance

Crime and Disorder – None.

Human Rights - None.

Consultation - Engaging local communities meets a core principle of the CIPFA/ SOLACE guidance.

Procurement – None.

Disability issues – Ensuring access to services meets a core principle of the CIPFA/ SOLACE guidance.

Legal Implications – Ensuring compliance with relevant laws and regulations, and ensuring that expenditure is lawful, is a key component of effective corporate governance