



**AGENDA ITEM: 9**

**AUDIT & GOVERNANCE COMMITTEE: 26 June 2014**

---

**Report of: Borough Treasurer**

**Relevant Managing Director: Managing Director People and Places**

**Contact for further information: Marc Taylor (Extn. 5092)**

**(E-mail: [marc.taylor@westlancs.gov.uk](mailto:marc.taylor@westlancs.gov.uk))**

---

**SUBJECT: ANNUAL GOVERNANCE STATEMENT 2013/2014**

---

Borough wide interest

**1.0 PURPOSE OF THE REPORT**

1.1 To consider the Council's Annual Governance Statement for 2013/14

**2.0 RECOMMENDATION**

2.1 That the Annual Governance Statement 2013/2014 be approved and commended to the Leader and Managing Directors for signature.

---

**3.0 BACKGROUND**

3.1 The Accounts and Audit Regulations 2011 require the Council to publish an Annual Governance Statement with its financial reports. The CIPFA / SOLACE Framework provides guidance on the proper practices to be followed to fulfil this requirement and Officers have followed this approach in producing the Annual Governance Statement.

3.2 An Application Note was issued by CIPFA in March 2010, outlining requirements for the Statement in relation to their document 'Statement on the Role of the Chief Financial Officer in Local Government (2010)' and the Governance Statement has also been produced in line with this guidance.

3.3 The terms of reference of this Committee include responsibility for approving the Annual Governance Statement and commending it for signature by the Leader and Managing Directors.

#### **4.0 CURRENT POSITION**

- 4.1 The Council has a track record of demonstrating solid financial and governance arrangements.
- 4.2 The Annual Governance Statement provides a summary of the Council's internal control environment and a review of its effectiveness. This year's Statement confirms that the framework is adequate and that good progress has been made in addressing the significant governance issues identified in last year's statement.
- 4.3 The Authority has consistently received positive feedback from its external auditors on its arrangements for internal control, and the most recent Annual Audit and Inspection letter has concluded the same.
- 4.4 In the Annual Audit Report, elsewhere on this agenda, the Council's Internal Audit Manager has summarised the findings from Internal Audit activity over the year and these findings are incorporated into the Annual Governance Statement.
- 4.5 All Heads of Service and senior Managers have considered and signed a Certificate on Internal Control to confirm that governance arrangements and internal controls have not been compromised during the past year in their areas of responsibility. As it is Managers who are charged with embedding governance systems in their areas, this is an integral part of the annual review process.
- 4.6 Only one area was commented on in the certification process which was the improved record keeping and monitoring of the vehicle maintenance contractor, implemented in Autumn 2013, within the Street Scene service as a result of inspections in relation to the Council's vehicle operator licence. The work in this area was completed by the year end.
- 4.7 However the Council cannot afford to be complacent and a number of current governance issues are identified in the Statement that will need to be monitored closely in the forthcoming months. This includes the financial challenges facing the Council (as well as all other local authorities), managing sickness and improving the accuracy of benefit processing.

#### **5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

#### **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 6.1 All the activity referred to in this report is covered by existing budget provisions.

#### **7.0 RISK ASSESSMENT**

7.1 Failure to publish an Annual Governance Statement with the Statement of Accounts would breach one of the Council's statutory obligations.

---

---

### **Background Documents**

The following background documents (as defined in Section 100D (5) of the Local Government Act 1972) have been relied on to a material extent in preparing this Report.

- CIPFA Solace 'Delivering Good Governance in Local Government: a Framework' 2007
  
- CIPFA Solace 'Application Note to Delivering Good Governance in Local Government: a Framework' 2010

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

Appendix 1 – West Lancashire Borough Council's Annual Governance Statement 2013/14