

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 16 JULY 2014**

REPORT BY: **HEAD OF LEGAL AND DEMOCRATIC SERVICES**

SUBJECT: **ANNUAL GOVERNANCE STATEMENT**

1.00 PURPOSE OF REPORT

1.01 For the committee to consider and approve the draft Annual Governance Statement (AGS) for 2013/14.

2.00 BACKGROUND

2.01 For each financial year the Council is required to produce an AGS as part of its final accounts. The AGS explains how the Council has complied with its Code of Corporate Governance and it also meets the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2010. The Chartered Institute of Public Finance & Accountancy (CIPFA) have produced a detailed guidance note on the preparation and contents of an AGS.

2.02 From the financial year 2011/12 the AGS has been prepared in a different way to previous years. The preparation of the draft AGS has been coordinated by the Corporate Governance Officer Working Group who have reported to the Chief Executive, the Monitoring Officer and the Section 151 Officer on its work. The core membership of that working group is shown in appendix 1.

2.03 The preparation of the draft AGS has been informed by a corporate governance self-assessment undertaken by each of the Council's then Heads of Service for their service area. A corporate governance questionnaire was prepared by the working group based on the CIPFA guidance note. The responses received to this self assessment were challenged by the Corporate Governance Officer Working Group where, for example, it did not provide adequate supporting information for the assessment given.

2.04 At the committee's meeting on the 18 December 2013 it agreed the process for preparation of the draft AGS including for the first time questionnaires being sent to Overview & Scrutiny Chairs. All O&S Chairs completed the questionnaire and their views have been taken into account in preparing the draft AGS.

- 2.05 The draft AGS was prepared in compliance with “Delivering Good Governance in Local Government: A Framework” published jointly by CIPFA and the Society of Local Authority Chief Executives (SOLACE). It was then submitted to the Chief Executive, Monitoring Officer and Section 151 officer for their observations. The version attached to the end of the Statement of Accounts (previous agenda item) incorporates their observations. The final version after approval by the committee and Council will be submitted to the Chief Executive and the Council Leader for signing.
- 2.06 The AGS will be considered by the Wales Audit Office who have to report if it does not reflect compliance with the Guidance in “Delivering Good Governance in Local Government: A Framework”.

3.00 CONSIDERATIONS

- 3.01 In accordance with “Delivering Good Governance in Local Government: A Framework” the governance statement is divided into five numbered sections, namely:-
1. Scope of responsibility.
 2. The purpose of the governance framework.
 3. The governance framework.
 4. Review of effectiveness.
 5. Significant governance issues.
- 3.02 A lot of detailed work that has gone into the production of the AGS and if members believe there are any inaccuracies in it, it would be helpful if this could be raised prior to the meeting itself so that any such queries can be properly researched prior to the committee meeting.
- 3.03 Members are requested to consider:-
1. Whether the statement accurately reflects the governance framework in place in the authority.
 2. Whether they are satisfied with the overall review of effectiveness.
 3. Whether they agree that the significant governance issues facing the authority are as described in the statement.
 4. Any amendments that should be made.

4.00 RECOMMENDATIONS

- 4.01 For the committee to amend as appropriate and approve the AGS attached to the Statement of Accounts.

5.00 FINANCIAL IMPLICATIONS

- 5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 With O&S Chairs and appropriate senior officers.

11.00 CONSULTATION UNDERTAKEN

11.01 The preparation of the draft AGS involved all Heads of Service and particularly with the Chief Executive, the Monitoring Officer and the Section 151 Officer. It also involved all O&S Chairs. There was an informal briefing for members of the Audit Committee held on the 25 June 2014.

12.00 APPENDICES

12.01 Appendix 1 - Core membership of the Corporate Governance Working Group.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Delivering Good Governance in Local Government: A Framework published by CIPFA and SOLACE.
Corporate governance Self-Assessments undertaken by the then Heads of Service.

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