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## **ANNUAL GOVERNANCE STATEMENT 2013/2014**

To: **Governance and Audit Committee – 24 September 2014**

Main Portfolio Area: **Operational Services**

By: **Maritime Services Manager**

Classification: **Unrestricted**

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**Summary:** **To provide Governance and Audit Committee with the Annual Governance Statement 2013/14 for approval.**

### **For Decision**

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#### **1.0 Introduction and Background**

- 1.1 The Accounts and Audit Regulations 2003 (amended 2006) introduced the requirement for a Statement on Internal Control (SIC) to be prepared by local government bodies from the financial year 2003/2004.
- 1.2 From 2007/2008 this process changed and the council was required to prepare an Annual Governance Statement (AGS) which must be included within the Financial Statement and should be signed by the Leader and Chief Executive.
- 1.3 The Accounts and Audit (England) Regulations 2011 were published, and applied from the financial year 2010/2011. The changes to the regulations meant that the AGS should accompany the Statement of Accounts and does not need to be included within the body of this document. This meant that the AGS is separate from the accounts for the purpose of external audit.
- 1.4 The other change was to the approval process and timeframe. Governance and Audit Committee consider the draft AGS and assurance gathering process in June. The AGS is then audited and Members made aware of the findings of the audit, which enables Governance and Audit Committee Members to make an informed decision when approving the AGS in September.

#### **2.0 The Current Situation**

- 2.1 The Annual Governance Statement, which is attached at **Annex 1**, should reflect the corporate governance environment of the council as detailed in the adopted Local Code of Corporate Governance. In essence, the AGS is the formal statement that recognises, records and publishes the council's governance arrangements.
- 2.2 The AGS is a key corporate document, and the Leader and Chief Executive have joint responsibility as signatories for its accuracy and completeness. In order to ensure that the AGS accurately reflects our Governance Framework, a number of sources of assurance were gathered to feed into the preparation of the document (see Annex 1 section 3). Following the approval process it will be formally signed as required.
- 2.3 The Draft AGS came before the Governance and Audit Committee on the 25 June 2014, and was agreed with no recommended changes. This was then provided to our External Auditors Grant Thornton for them to audit.

- 2.4 An action plan for the 'significant governance issues' identified has been prepared which is attached at **Annex 2**. Following approval of the AGS this action plan will be entered into the performance management system and reported back to this Committee on a regular basis.

### **3.0 External Audit**

- 3.1 Grant Thornton had an opportunity to audit the Draft AGS and their findings were reported to the Maritime Services Manager. Amendments to the AGS have been made at section 9.2 and are shown as track changes on the attached document.

### **4.0 Options**

- 4.1 That Members approve the Annual Governance Statement 2013/2014 and associated action plan.
- 4.2 That Members do not approve the Annual Governance Statement 2013/2014. This is not recommended as the AGS reinforces the council's governance arrangements.

### **5.0 Corporate Implications**

#### **5.1 Financial**

- 5.1.1 There are no financial implications arising directly from this report.

#### **5.2 Legal**

- 5.2.1 The Accounts and Audit Regulations and other accounting guidance requires the council to follow prescribed formats in the completion of the Annual Governance Statement.

#### **5.3 Corporate**

- 5.3.1 The Annual Governance Statement is a corporate document and as such should be owned by all senior officers and members of the authority.

#### **5.4 Equity and Equalities**

- 5.4.1 There are no equity or equalities issues arising from this report.

#### **5.5 Risks**

- 5.5.1 Failure to approve the AGS will diminish the council's governance arrangements.

### **6.0 Recommendation**

- 6.1 That Members approve the Annual Governance Statement for 2013/2014 and associated action plan.

### **7.0 Decision Making Process**

- 7.1 This recommendation does not involve the making of a key decision.
- 7.2 This recommendation is within the Council's Budgetary and Policy Framework and the decision may be taken by the Governance and Audit Committee.

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| Reporting to:    | Robert Brown, Maritime Operations Manager and Harbour Master, DDI 01843 572105 |

### **Annex List**

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| Annex 1 | Annual Governance Statement for 2013/2014         |
| Annex 2 | Annual Governance Statement 2013/2014 action plan |

### **Background Papers**

| <b>Title</b>  | <b>Details of where to access copy</b>  |
|---|---|
| Completed assurance statements                              | Through the Maritime Services Manager   |
| Governance Framework and Local Code of Corporate Governance | Through Internet / TOM & Members Portal |

### **Corporate Consultation Undertaken**

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| Legal          | Steven Boyle, Interim Legal Services Manager and Monitoring Officer |
| Finance        | Matthew Sanham, Finance Manager (Service Support)                   |
| Communications | Hannah Thorpe, PR and Publicity Manager                             |