

DRAFT ANNUAL GOVERNANCE STATEMENT AND ACTION PLAN 2014/15

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Purpose

- 1.1 To consider the draft 2014-15 Annual Governance Statement (AGS) and associated action plan (Annex A) for approval as required by the Accounts and Audit Regulations 2011.
2. Recommendations
 - 2.1 That the Committee approves the 2014/15 Annual Governance Statement and Action Plan attached at Annex A.
 - 2.2 That the Audit Committee appoints Members to an AGS Overview Working Group to assist with scrutiny and assurance in the process and drafting of the Annual Governance Statement 2015/16, together with any amendment to the Local Code of Corporate Governance, during the coming year.
3. Issues and Choices
 - 3.1 The Accounts and Audit Regulations 2011 require that the Authority must agree an Annual Governance Statement (AGS), prepared in accordance with proper practices published by CIPFA in relation to internal control, for publication with its Statement of Accounts.
 - 3.2 Proper practices currently comprise the Delivering Good Governance in Local Government Framework 2007 and the Delivering Good Governance in Local Government Framework Addendum 2012.
 - 3.3 The review of the effectiveness of the Council's system of internal control that underpins the Annual Governance Statement must be carried out at least annually.

Review

- 3.4 Corporate governance is defined as the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate lead their communities. There is a strong correlation between effective governance and effective service delivery. To deliver the Council's vision and support the drive for continuous improvement strong governance arrangements need to be in place.
- 3.5 The AGS expands on the requirements of its predecessor, the Statement on Internal Control (SIC), to provide for a review of the whole of the Council's governance arrangements, underpinned by the adopted Code of Corporate Governance.
- 3.6 The AGS is presented to the same Audit Committee meeting as the Statement of Accounts. The AGS sets the context, describing the internal control and governance environment of Milton Keynes Council, and the controls that have been in place in the last year.
- 3.7 Evidence sources collated for drafting the 2014/15 AGS were as follows.
- (a) A review against the Council's own Code of Corporate Governance, conducted by Internal Audit and involving officers from across the organisation.
 - (b) A review against the Public Sector Internal Audit Standards (PSIAS) conducted by Internal Audit and circulated to the councillor review group.
 - (c) Consultation with, and assurances provided by, Corporate Directors, key officers and a cross party councillor review group.
 - (d) Work undertaken during the year by Internal Audit and other inspection bodies.
 - (e) Progress against the 2013/14 AGS action plan, which was reported on a quarterly basis to the Audit Committee, and the outstanding actions have been added to the action plan for 2014/15.
- 3.8 The process for drafting the AGS itself, and the systems of challenge and review were as follows;
- (i) The information described above was collated and an early draft Statement was circulated to key officers for comment.
 - (ii) Key officers e.g. S151 Officer, Chief Executive, monitoring officer, considered and suggested issues to be reflected in the Action Plan.

- (iii) The comments were amalgamated into a draft document, which was then provided to members of the Corporate Management Team (CMT) for further challenge. The draft AGS and Action Plan were amended accordingly.
- (iv) A cross party councillor review group considered the assurances supporting the AGS provided comment on the draft AGS and Action Plan which were incorporated into the document.
- (v) Presentation to the Audit Committee for approval

3.9 Once the Annual Governance Statement has been approved the AGS will be produced in a colour brochure format and, as well as submission alongside the Statement of Accounts, it will be placed on the website for members of the public, stakeholders, Members and officers to view.

3,10 Progress against the adopted 2014/15 AGS Action Plan will be reported to the Audit Committee on a regular basis over the coming year.

3.11 The 2011 regulations highlighted the need for the findings of the review to be considered by a Committee. In practice at Milton Keynes, this is the case already, with the AGS approved by the Audit Committee and developed with the assistance and scrutiny of an overview group of councillors of all parties, including the Committee’s Chair.

.Implications

4.1 Policy

None

4.2 Resources and Risk

There are no direct resource implications. Designing the project plan and ensuring that data is collected in a timely fashion will require officer resource.

x	Capital	y	Revenue	x	Accommodation
x	IT	x	Medium Term Plan	x	Asset Management

4.3 Legal

The Council is under a duty to produce an Annual Governance Statement by virtue of regulation 4 of the Accounts and Audit Regulations 2011 which requires authorities to “conduct a review at least once a year of the effectiveness of its system of internal control.”

4.4 Other Implications

x	Equalities / Diversity	x	Sustainability	x	Human Rights
x	E-Government	y	Stakeholders	x	Crime and Disorder

Background Papers;

Annex A - Annual Governance Statement and Action Plan