

<b>Body:</b>	AUDIT AND GOVERNANCE COMMITTEE
<b>Date:</b>	24 JUNE 2015
<b>Subject:</b>	Annual Governance Statement
<b>Report Of:</b>	Internal Audit Manager
<b>Ward(s)</b>	All
<b>Purpose</b>	To consider the Annual Governance Statement to be signed by the Council Leader and Chief Executive.
<b>Recommendation(s):</b>	The Committee approves the Annual Governance Statement.
<b>Contact:</b>	Jackie Humphrey, Internal Audit Manager, Telephone 01323 415925 or internally on extension 5925. E-mail address <a href="mailto:jackie.humphrey@eastbourne.gov.uk">jackie.humphrey@eastbourne.gov.uk</a>

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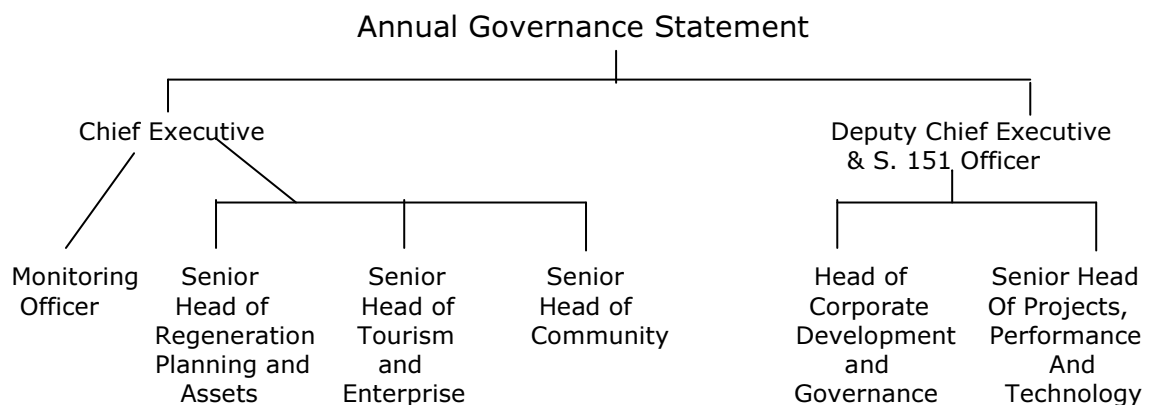
## **1.0 Background**

- 1.1 Corporate governance involves everyone in local government. Two definitions are:  
  
 "Ensuring the organisation is doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner" – Audit Commission.  
  
 "How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises 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." – CIPFA/SOLACE
- 1.2 The Council has a legal requirement to produce an Annual Governance Statement each year. The statement accompanies the Statutory Statement of Accounts once adopted.
- 1.3 The Audit and Governance Committee is tasked with overseeing the risk management, internal control and reporting to the Council. A key component of this work is to approve the Annual Governance Statement.

## **2.0 Governance Framework**

- 2.1 The Annual Governance Statement is the report produced at the end of the year on the control environment of the Council. However this is just the end product of the framework of governance operating within the authority throughout the year.

- 2.2 Appendix 1 shows the framework for gathering the assurances and how this is affected by and affects the relationship with partners, stakeholders and the community. Following this framework should ensure that the Council meets the six principles of corporate governance.
- 2.3 Use of this framework also allows the Council to demonstrate how its assurance gathering process links the strategic objectives and statutory requirements of the authority and how these objectives are to be delivered.
- 2.4 Appendix 2 shows a timetable for the gathering of assurances to produce the Annual Governance Statement. Certain elements are ongoing throughout the year whereas others are specifically produced at the year end in order to feed directly into the Annual Governance Statement.
- 2.5 It is important to have a defined timeline for the gathering of information on assurance as there is a deadline (end June) for the publication of the Statement of Accounts alongside of which the Annual Governance Statement must be published.
- 2.6 Appendix 3 shows the Managers' Assurance Statement which includes coverage of the Bribery Act, Safeguarding, RIPA and frauds over £10k. The statements are intended to cover the operational, project and partnership responsibilities of Heads of Service. These can also be used to highlight concerns and actions required to improve governance throughout the Council.
- 2.7 These statements are completed by Heads of Service/Senior Heads of Service and are then passed through the Chief Executive and Deputy Chief Executive. The comments made on the statements are considered for inclusion in the Annual Governance Statement. e.g.:



### **3.0 Annual Governance Statement**

- 3.1 The Annual Governance Statement is a document that provides a structure in which to consider the Council's governance arrangements and their effectiveness. This ensures that major control issues are identified and action taken to address these issues.

- 3.2 There are essentially three parts to the statement:
- ☐ A statement of responsibility and purpose
  - ☐ A description of the components of the governance framework that exist in the Council
  - ☐ The resulting issues and actions arising from those arrangements

#### **4.0 The 2014/15 Review**

- 4.1 The 2013/14 governance issues and subsequent action plan has been compiled from:

The annual report of the Internal Audit Manager  
Corporate Management Team  
Scrutiny reports  
Standards reports  
External Audit reports  
Reports of external review bodies  
Managers' Assurance Statements  
Evidence from the Council's Monitoring Officer(s)  
Review by the Chief Finance Officer, Deputy Chief Executive and Internal Audit Manager.

- 4.2 Completed Managers' Assurance Statements were returned from all Heads of Service and from Eastbourne Homes Limited. Six Managers' Assurance Statements mentioned minor concerns around capacity and capability of staff.
- 4.3 The Council is continuing with a programme of change called "Future Model" which is redesigning the Council's services to be more focussed around the needs of customers as well as realising efficiency savings. The Council is involved in shared service agreements principally with Lewes D.C. There are also significant asset projects underway such as the development of Devonshire Park. Together this means that there is a significant volume and variety of change which brings a cumulative risk. The Council is aware of this and receives regular updates on its Sustainable Service Deliver Strategy (SSDS) and ongoing performance monitoring and reporting. Project boards and an overall cross party "DRIVE" board oversee the change programme. The Council has set aside financial resources to deal with short term needs via its strategic change fund and deploys additional resources on a project by project basis.
- 4.4 CMT was asked to consider whether this should be noted as a significant issue for the Annual Governance Statement. This was discussed and it was agreed although it should be mentioned in the body of the statement it did not represent a significant issue as the programmes are being adequately monitored. Therefore no significant risks have been reported this year.
- 4.5 Once approved the Annual Governance Statement will be signed by the Leader of the Council and the Chief Executive and will be published alongside the annual accounts.

## **5.0 Recommendation**

5.1 The committee approves the Annual Governance Statement.

**Jackie Humphrey**  
**Internal Audit Manager**

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### **Background Papers:**

The Background Papers used in compiling this report were as follows:

*None*