

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT and
STANDARDS COMMITTEE**

Date of Meeting: 17th September 2014

**Subject: INFORMATION REPORT
Annual Governance Statement
2013/14**

Responsible Officer: Simon George, Director of Finance &
Assurance

Exempt: No

Enclosures: Annual Governance Statement 2013/14 –
Appendix 1
Corporate Management Assurance
Statement – Appendix 2

Section 1 – Summary

This report sets out the Council's Annual Governance Statement (AGS) for 2013/14 and the Corporate Management Assurance Statement.

For Information.

Section 2 – Report

Introduction

- 2.1 Harrow Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 2.3 The Council has approved and adopted a corporate governance framework and a Code of Corporate Governance , which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The Annual Governance Statement explains how the Council has complied with the framework/code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2011 in relation to the publication of a statement of internal control (Annual Governance Statement).

Annual Governance Statement

- 2.4 Each year the Council undertakes a robust review of its governance arrangements to ensure the delivery of good governance within a local government framework and current good practice. The purpose of the review is to provide assurance that governance arrangements are adequate and operating effectively and to identify action required to ensure effective governance in the future.
- 2.5 Internal Audit co-ordinates the annual review compiling evidence/sources of assurance provided by members of the Corporate Governance Working Group into an evidence table that is used as a basis for the preparation of a draft AGS which is reviewed and agreed by the Corporate Governance Group.

- 2.6 The Annual Governance Statement is prepared on behalf of the Leader of the Council and Interim Head of Paid Service and has been signed-off by them both. It was submitted in draft to the Governance, Audit, Risk Management and Standards (GARMS) Committee on 22/07/14 for consideration and review and included with the draft annual accounts to meet the statutory requirement of the Accounts and Audit Regulations 2011 which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control”
- 2.7 A number of changes have been made to the draft and the committees’ attention is specifically drawn to paragraphs 3.4 and 3.5 which have been changed in response to comments made by the GARMS Committee at the last meeting; paragraphs 3.18 and 3.24 which have been added at the request of the Interim Head of Paid Service and paragraphs 7.2, 7.3 and 7.4 which provide an updated on the Management Assurance process.
- 2.8 Since the draft AGS was presented to the committee a significant governance gap has also emerged (paragraph 9.1). This relates to the PSN Code of Connection, a gap that was also identified in 2012/13 that was closed when Harrow was passed as PSN compliant from July 2013 –July 2014. It has, however, emerged that there are potential issues again this year that the authority are currently working towards resolving and hence this is again highlighted as a significant governance gap.
- 2.9 An AGS Action Plan detailing the specific action to close the 14 minor and the 1 significant governance gap identified by the annual governance review process will be presented to the next GARMS Committee meeting and updates provided throughout the year to enable progress to be monitored.

Management Assurance

- 2.10 A management assurance process has been in place at the Council since 2005/06. During 2012/13 this process was reviewed by the Corporate Governance Group and realigned with the Corporate Risk Register. The new process collates assurance provided by senior managers on the key controls in place to manage the authority’s most significant (red) risks contained in the Corporate Risk Register.
- 2.11 The Corporate Management Assurance Statement (Appendix 2) summaries the results of the management assurance process and has been reflected in the Annual Governance Statement.

Financial Implications

- 2.11 Financial implications have been addressed, where relevant, in the main body of the report.

Risk Management Implications

2.12 The work of internal audit supports the management of risks across the council.

Corporate Priorities

2.13 Internal Audit contributes to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support these priorities.

Section 3 - Statutory Officer Clearance

Name: Jo Frost



On behalf of
Chief Financial Officer

Date: 05/09/14

Section 4 - Contact Details and Background Papers

Contact: Susan Dixson, Head of Internal Audit,
Tel:0208 424 1420

Background Papers: None.

If appropriate, does the report include the following considerations?

1.	Consultation	YES / NO
2.	Corporate Priorities	YES / NO