

Agenda Item No:	13	
Committee:	COUNCIL	
Date:	24 JULY 2014	
Report Title:	CORPORATE GOVERNANCE COMMITTEE ANNUAL REPORT	

Cover sheet:

1 Purpose / Summary

To report to Full Council the commitment and effectiveness of the Corporate Governance Committee's work from April 2013 to March 2014.

2 Key issues

The Committee has taken action to ensure that its members are adequately informed on key themes of the Governance Framework via regular reports including:

- Governance;
- Internal control;
- Risk management;
- Anti-fraud & corruption;
- Accounts and policies;
- Treasury management;

The Committee has been fundamental in the review and maintenance of the Council's Governance Framework.

3 Recommendations

Council should acknowledge the scope and achievement of the Corporate Governance Committee's work, including the commitment to ensuring effective governance arrangements across the Council and its partners, and adopt the annual report.

Wards Affected	All
Forward Plan Reference	Not applicable
Portfolio Holder(s)	Cllr Kit Owen - Chairman of Corporate Governance Committee
Report Originator(s)	Rob Bridge – Corporate Director & Chief Finance Officer Carol Pilson – Corporate Director
Contact Officer(s)	Rob Bridge – Corporate Director & Chief Finance Officer Carol Pilson – Corporate Director
Background Paper(s)	CIPFA Audit Committees - Practical Guidance for Local Authorities

Appendix: Annual report

Report of the Corporate Governance Committee

April 2013 - March 2014



1 What is corporate governance?

- 1.1 Corporate Governance in Fenland District Council is an essential part of the Council's standards for transparent and informed management and decision-making. It provides assurance of the adequacy of the risk management framework and the control environment, independent scrutiny of the Authority's financial and non-financial performance and to oversee the financial reporting process.

2 Responsibilities of the Committee

- 2.1 The Corporate Governance Committee rules listed in Part 2 (rule 10), of Fenland District Council's Constitution, illustrates their role within their terms of reference:
- a) Consider the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
 - b) Seek assurance that action is being taken on risk related issues identified by auditors and inspectors.
 - c) Be satisfied that the Authority's assurance statements, including the Statement on Internal Control, properly reflect the risk environment and actions required to improve it.
 - d) Approve internal audit's strategy, plan and monitor performance.
 - e) Review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
 - f) Receive the annual report of the Internal Audit Manager providing an opinion on the level of internal control.
 - g) Consider the reports of external audit and inspection agencies.
 - h) Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
 - i) Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to issues raised by external audit.

3 Members commitment to corporate governance in 2013/14

- 3.1 Meetings included development briefings, and items of topical interest, to maintain knowledge and awareness of the Council's Governance Framework. Examples were:
- the role of Corporate Governance, Officers and the annual work plan;
 - interpretation of Annual Financial Statements;
 - monitoring and management of risk;
 - monitoring and proactive management of anti-fraud & corruption;
 - reports from external audit and the future of local public audit;
 - the impact of the financial settlement on resources.
- 3.2 All new members of the Council and the Committee received an induction to explain the context of Corporate Governance.

4 Work programme and outcomes

4.1 The Committee considered the matters in the table below as part of its work programme.

Programme	Outcome
Annual Governance Statement 2012/13	<p>The Authority has a statutory duty to publish a statement as to the level of effectiveness its governance and internal control framework.</p> <p>The Corporate Governance Committee was able to consider the sources of assurance and approve the content of the Statement prior to its publication with the Financial Accounts.</p> <p>The statement included an action plan which was reviewed during the year to ensure that governance and control framework weaknesses were addressed.</p> <p>This has helped the Council to proactively identify and manage governance and control risks that could affect Corporate Priorities. Example include of changes in legislation, finance and Government policy.</p>
Accounting Policies	<p>The Committee considered the accounting policies for use in producing the 2012/13 accounts. This helped ensure that the Council demonstrated compliance with the International Financial Reporting Standards (IFRS).</p>
Statement of Accounts	<p>The Committee were able to approve the Council's Statement of Accounts for 2012/13, assisting the Council in achieving its publication deadline.</p>
Internal Audit work programme	<p>The Corporate Governance Committee received reports, from the Internal Audit Manager, for review of the:</p> <ul style="list-style-type: none">• Charter,• Risk based annual plan and strategy,• Performance Outturn 2012/13, and the• Internal Audit Manager's opinion on the overall adequacy and effectiveness of the Council's control environment. <p>These reports demonstrate that the Council has arrangements in place to comply with the Accounts and Audit Regulations, to maintain an adequate and effective internal audit and system of Internal Control.</p>

Programme	Outcome
<p>Review of effectiveness of Internal Audit</p>	<p>The Committee received assurances from the Corporate Director, and the Corporate Director & Chief Finance Officer, following a review of Internal Audit effectiveness.</p> <p>This confirmed that the Internal Audit Team is effective and follows professional quality standards such as the CIPFA “Local Government Application Note” for "Public Sector Internal Audit Standards" and the CIPFA “Statement on the role of the Head of Internal Audit”.</p>
<p>Risk Management Framework</p>	<p>The Committee received regular updates on the Corporate Risk Register, discussed emerging risks, and completed an annual review of the Risk Management Strategy.</p> <p>This provided assurance that significant risks are identified and managed for the Council.</p>
<p>Anti-fraud and corruption</p>	<p>The Committee received reports from the Councils Internal Audit Manager. This included a review of the Council’s Anti-fraud and corruption policy, against best practice guidance from the Audit Commission and the National Fraud Authority.</p> <p>This provided assurance that there is a strategic approach to proactively managing the risks of fraud and corruption.</p>
<p>Treasury Management</p>	<p>The Committee received reports throughout the year on the Treasury Management Strategy and financial performance.</p> <p>This provided assurance that the Councils assets are managed in accordance with the CIPFA Code of Practice on Treasury Management.</p>
<p>Regulation of Investigatory Powers Act</p>	<p>The Committee received a report that allowed it to review the Council’s use of the Regulations of Investigatory Powers Act 2000 (RIPA), and understand changes to its use as a result of the Protection of Freedoms Act 2012.</p>
<p>Effective Audit Committee</p>	<p>The Committee received a report that enabled them to review how the Corporate Governance Committee delivered its objectives and displayed good characteristics in reference to the latest best practice guidance published by CIPFA.</p>

Programme	Outcome
<p>External Audit Assurance</p>	<p>The Committee received reports from the Audit Commission's appointed auditor, PricewaterhouseCoopers. These included:</p> <ul style="list-style-type: none"> • Annual work plan; • Annual grant certification report; • Annual report to those charged with governance (ISA 260) summarising the work of the external audits completed; • Annual Audit and Inspection letter <p>The reports affirmed continued maintenance of high financial management and control standards. The Annual Audit letter explained that in all significant respects the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and an unqualified value for money conclusion was given. The Committee supported a press release to reflect this achievement.</p>