

**Report of Corporate Director for People
to
Audit Committee
on
25 June 2014**

Reports prepared by: South Essex Homes /
Head of Internal Audit

**South Essex Homes
Annual Governance Statement for 2013/14**

Executive Councillor – Cllr David Norman

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present to the Audit Committee, South Essex Homes key annual governance reports for 2013/14 to consider as evidence in support of the Council's own Annual Governance Statement.

2. Recommendation

- 2.1 The Audit Committee accepts the assurance provided by South Essex Homes regarding the operation of its governance arrangements throughout 2013/14.**

3. Background

- 3.1 South Essex Homes is a wholly owned company of the Council. As such:
- its accounts are consolidated into the Council's financial statements
 - disclosures regarding the adequacy and effectiveness of its governance, risk management and control arrangements are included in the Council's Annual Governance Statement.
- 3.2 Therefore, South Essex Homes has provided the Council with its Head of Internal Audit Annual Report (Appendix 1), Audit Committee Annual Report (Appendix 2) and Annual Governance Statement (Appendix 3) for 2013/14 as evidence of how well its arrangements operated throughout the year. These are the reports considered by the company's Audit Committee on the 21 May 2014 and its Board on 6 June 2014. Overall they show that the company has maintained good governance, risk management control arrangements throughout the year.
- 3.3 The company's Annual Governance Statement will form part of the Council's Annual Governance Statement, which is item 8 on this meeting's agenda.
- 3.4 South Essex Homes' Audit Committee Chairman and the Director of Finance will present these reports to Committee and respond to Members' questions.

4. Corporate Implications

4.1 Contribution to Council's Aims and Priorities

Operating robust governance arrangements contributes to the delivery of all Council aims and priorities.

4.2 Financial Implications

None in relation to this report although budgetary control and financial management are key governance areas that are covered by the reports attached.

4.3 Legal Implications

Accounts and Audit (England) Regulations 2011 Section 4 requires that the relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control.

The findings of the review must be considered by Council or by a committee. Following the review, the body or committee must approve an annual governance statement prepared in accordance with proper practices in relation to internal control.

Therefore the work undertaken to support and then produce the Annual Governance Statement satisfies the requirements of the Accounts and Audit (England) Regulations 2011.

4.4 People

All non executive members and staff have been required to adopt the principles and values outlined in the Local Code of Governance and apply the business management processes required within their service areas.

4.5 Property Implications

All services have been required adopt proper processes in managing their assets.

4.6 Consultation

All of these reports have been approved by South Essex Homes Board.

4.7 Equalities Impact Assessment

This has been reflected in the principles, values and or business management processes adopted.

4.8 Risk Assessment

Failure to operate robust governance arrangements can potentially lead to poor management, performance, stewardship of public money, public engagement and ultimately, poor outcomes for citizens and service users. It increases the risk that corporate priorities won't be delivered.

These reports demonstrate that overall the company's governance arrangements are fit for purpose.

4.9 Value for Money, Community Safety Implications and Environmental Impact

These have been reflected in the principles, values and or business management processes adopted.

5 Background Papers

- The Accounts and Audit (England) Regulations 2011.
- Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Delivering Good Governance in Local Government - Framework.

6 Attachments

- Appendix 1: South Essex Homes Head of Internal Audit Annual Report 2013/14
 - Appendix 1A: Sources of Audit Assurance for 2013/14
 - Appendix 1B: Audit Plan 2013/14
- Appendix 2: South Essex Homes Audit Committee Annual Report 2013/14
- Appendix 3: South Essex Homes Annual Governance Statement 2013/14