

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Corporate Director for People
to
Audit Committee
on
24 June 2015

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

South Essex Homes
Annual Governance Statement for 2014/15 and supporting reports

Executive Councillor – Cllr David Norman

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present South Essex Homes's Annual Governance Statement and supporting reports to the Audit Committee 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 risk management, control and governance arrangements throughout 2014/15.**

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 risk management, control and governance arrangements are included in the Council's Annual Governance Statement.

- 3.2 Therefore, South Essex Homes has provided the Council with the following reports for 2014/15 as evidence of how well these arrangements have operated throughout the year:

- Head of Internal Audit Annual Report (Appendix 1)
- Audit Committee Annual Report (Appendix 2)
- Annual Governance Statement (Appendix 3)

- 3.3 These are the reports considered by the company's Audit Committee on the 13 May 2015 and the Annual Governance Statement was also agreed by the Board on the 10th June 2015. Overall they show that the company has maintained sound risk management, control and governance arrangements throughout the year.

- 3.4 The company's Annual Governance Statement will form part of the Council's Annual Governance Statement, which is item 4 on this meeting's agenda.
- 3.5 South Essex Homes' 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

Not relevant to this report

4.3 Legal Implications

Accounts and Audit Regulations 2015 Section 6 requires Council's to conduct an annual review of the effectiveness of its system of internal control.

The findings of the review must be considered by Council or by a nominated committee, who must then approve an annual governance statement.

Therefore the work undertaken to support and then produce the Annual Governance Statement satisfies the requirements of these Regulations.

4.4 People

Not relevant to this report

4.5 Property Implications

Not relevant to this report

4.6 Consultation

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

4.7 Equalities Impact Assessment

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

4.8 Risk Assessment

Not relevant to this report

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 Regulations 2015
- UK Public Sector Internal Audit Standards
- CIPFA Local Governance Application Note for the UK Public Sector Internal Audit Standards
- CIPFA: The Role of the Head of Internal Audit in Public Service Organisations 2010

- CIPFA: Audit Committees, Practical Guidance for Local Authorities and Police 2013
- 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 2014/15
 - Appendix 1a: Summary of work that supports the 2014/15 Audit Opinion
 - Appendix 1b: 2014/15 Audit Plan as at May 2015
- Appendix 2: South Essex Homes Audit Committee Annual Report 2014/15
 - Appendix 2a: Summary of assurance available to the Audit Committee 2014/15
- Appendix 3: South Essex Homes Annual Governance Statement 2014/15
 - Appendix 3a: South Essex Homes Governance Action Plan 2013/14