

Report

Report to:	Clyde Valley Learning and Development Joint Committee
Date of Meeting:	10 June 2019
Report by:	Treasurer to Clyde Valley Learning and Development Joint Committee

Subject:	Annual Governance Statement 2018/2019
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an overview of the Annual Governance Statement for inclusion in the 2018/2019 Clyde Valley Learning and Development Joint Committee Annual Accounts

2. Recommendation(s)

2.1. The Joint Committee is asked to approve the following recommendation(s):-

- (1) that the Annual Governance Statement, attached as Appendix 1 to the report, be approved for inclusion in the Clyde Valley Learning and Development Joint Committee 2018/2019 Annual Accounts.

3. Background

3.1. Each year the Clyde Valley Learning and Development Joint Committee undertakes a review of the governance arrangements that are required to support the Clyde Valley Learning and Development Joint Committee's preparation of the Annual Governance Statement which is included in the Clyde Valley Learning and Development Committee's Annual Accounts.

3.2. The annual review for 2018/2019 considered guidance detailed within the Delivering Good Governance in Local Government Framework.

4. Annual Governance Statement for 2018/2019

4.1. The Annual Governance Statement for 2018/2019 is attached at Appendix 1.

4.2. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. These arrangements follow the systems of financial management in place within the lead authority, South Lanarkshire Council.

4.3. The Clyde Valley Learning and Development Joint Committee shares financial management systems with South Lanarkshire Council (the lead authority) and is subject to the relevant controls in place which are reviewed by Internal/External Audit through a programme of audit work. The overall audit opinion for the year is

informed by the assurances obtained from any system audits carried out by the Council's Internal Audit section on these shared systems.

- 4.4. Although Internal Audit do not carry out specific audit work on the Clyde Valley Learning and Development Joint Committee, the sharing of systems means that the assurances obtained in the Internal Audit Manager's annual assurance report to South Lanarkshire Council can be applied to those of the Clyde Valley Learning and Development Joint Committee.
- 4.5. For 2018/2019, the Treasurer's opinion is that reasonable assurance can be placed on the adequacy and effectiveness of the Joint Committee's framework of governance, risk management and control arrangements.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. There are no financial implications directly associated with this report.

7. Other Implications

- 7.1. The statement will be subject to review by Audit Scotland as part of their audit of Clyde Valley Learning and Development Joint Committee's Annual Accounts.
- 7.2. There are no implications for sustainability in terms of the information contained in this report

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 8.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Jackie Taylor
Treasurer

7 May 2019

Previous References

- ◆ None

List of Background Papers

- ◆ Clyde Valley Learning and Development Joint Committee Annual Accounts Annual Governance Statement and Annual Accounts 2018/2019

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Annual Governance Statement

This statement sets out the framework within which the Joint Committee has proper arrangements for the governance of the Joint Committee's affairs, thereby facilitating the effective exercise of its functions, ensuring that appropriate arrangements are in place for the management of risk and appropriate systems of internal control are in place. While the Joint Committee's governance arrangements have not been consolidated in a formal Code of Corporate Governance, the Annual Governance Statement has been prepared within the context of the Joint Committee's governance framework and meets legislative requirements to include the Annual Governance Statement within the Annual Accounts.

Scope of Responsibility

In delivering its aims and objectives, the Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Governance Framework

The Joint Committee operates a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised.

The main features of our governance arrangements are:-

- All full member Councils continue to be represented on the Joint Committee
- The scheme of delegation, terms of reference, standing orders, financial regulations and stakeholder roles and responsibilities defined in 2007/2008 remain in place, and have been reviewed for relevance and to determine if they are still appropriate.
- Meetings of the Joint Committee are held three times a year chaired by the elected Convener of the Joint Committee. For 2018/2019, this was Councillor Katy Loudon (South Lanarkshire Council).
- Scheme of delegation allows for the Clyde Valley Implementation Steering Group to manage, direct and prioritise the work programme.
- Minute of agreement has been produced and signed by each of the participating Councils, with a revised Minute of Agreement drafted to reflect the changes in membership and fee structure for 2019/2020.
- Effective risk management arrangements are embedded within the Member Councils.

The system of internal controls is based on a framework of regular management information, financial regulations, administrative procedures, management and supervision and a system of delegation and accountability.

These arrangements follow the systems of financial management in place within the lead authority, South Lanarkshire Council, and are subject to the relevant controls in place which are reviewed by Internal/External Audit through a programme of audit work.

The system includes:-

- Centralised invoicing and re-charging administered through South Lanarkshire Council.
- Financial Management arrangements through South Lanarkshire Council's Financial Management System Ledger supported by Financial Regulations.
- Risks are identified and managed by the Project Manager on an ongoing basis.
- Preparation of financial reports that compare actual expenditure and income against budgets.

Statement on the Role of the Chief Financial Officer

CIPFA published the statement on the role of the Chief Financial Officer in 2010 and under the Code, the Joint Committee is required to state whether it complies with the statement, and if not, to explain how their governance arrangements deliver the same impact.

The Joint Committee's financial management arrangements comply with the principles set out in CIPFA's statement on the Role of the Chief Financial Officer.

Continuous Improvement

As the work of the Clyde Valley Learning and Development Joint Committee develops, I am aware of our governance duties and will continue my commitment to transparency and openness in our governance arrangements. No issues have been identified during 2018/2019 and I will continue to review these as appropriate during 2019/2020.

Assurance

The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

It is my view that in the twelfth year of the Clyde Valley Learning and Development Joint Committee (financial year 2018/2019), reasonable assurance can be placed on the adequacy and effectiveness of the Joint Committee's framework of governance, risk management and control arrangements.

Jackie Taylor

Treasurer - Clyde Valley Learning and Development Joint Committee

10 June 2019