

Annual Governance Statement

Report by: Kenneth Lawrie, Chief Executive

1 Purpose of Report

The purpose of this report is to notify Members of the Audit Committee of a small number of additions to the Annual Governance Statement recommended by the Council's External Auditors, Grant Thornton.

2 Background

2.1 The Audit Committee considered the Annual Governance Statement at its meeting on 5 May 2015. Following a review of this statement by the Council's External Auditors (Grant Thornton) a small number of additions were recommended:

- reflecting the progress which has been made over Health and Social Care since the end of March 2015 and noting the actions that are still to be taken;
- recording the major incident at Newbyres of the gas penetration of carbon monoxide into recently built Council housing stock and reflecting the steps that the Council has taken in relation to this; and
- quoting the relevant Act that requires the Council to undertake an annual review of the adequacy of internal controls (Local Authority Accounts (Scotland) Regulations 2014).

2.2 These changes have been reflected in the attached Appendix with the updates highlighted in bold.

3 Report Implications

3.1 Resource

There are no direct resource implications arising from this report.

3.2 Risk

The AGS highlights where progress has been made in reducing risks within the Council over the period 2014/15 and also highlights where further work is planned in 2015/16 to reduce risk further.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child

- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Key Priorities within the Single Midlothian Plan

By ensuring that the Council has proper governance arrangements in place, this provides a suitable framework when seeking to achieve the key priorities of the Single Midlothian Plan.

3.5 Impact on Performance and Outcomes

Without good governance arrangements, performance and outcomes may be adversely affected.

3.6 Adopting a Preventative Approach

This report addresses the Council's policy to have a robust internal control environment, management of risk, and effective governance.

3.7 Involving Communities and Other Stakeholders

The AGS has been prepared following consultation with Chief Officers, Heads of Service, the Monitoring Officer, Internal Audit and the External Auditors.

3.8 Ensuring Equalities

An Equalities Impact Assessment (EQIA) is not required at this stage and there are no equalities issues arising from the report.

3.9 Supporting Sustainable Development

There are no sustainable development issues raised in this report.

3.10 IT Issues

There are no IT issues raised in this report.

4 Recommendations

The Audit Committee is invited to note the proposed additions to the Annual Governance Statement.

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Background Papers:

Appendix 1 – Annual Governance Statement