

**FALKIRK COUNCIL**

**Subject: ANNUAL GOVERNANCE STATEMENT 2012/13**  
**Meeting: AUDIT COMMITTEE**  
**Date: 24 June 2013**  
**Author: CHIEF EXECUTIVE**

**1. INTRODUCTION**

- 1.1 The purpose of this paper is to advise Members of arrangements for reporting on the Council's governance framework for the year ended 31 March 2013 and to seek approval of a draft Annual Governance Statement for inclusion in the Council's 2012/13 Annual Accounts.

**2. GOVERNANCE ARRANGEMENTS AND GUIDANCE**

- 2.1 In 2007 the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) jointly issued guidance entitled 'Delivering Good Governance in Local Government'. This defined the six principles that should underpin the governance of each local government body, namely:

- focussing on the purpose of the Authority and outcomes for the community, and creating and implementing a vision for the local area;
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capability of Officers and Members to be effective; and
- engaging with local people and other stakeholders to ensure robust public accountability.

- 2.2 The guidance recommends that Authorities prepare an Annual Governance Statement (the Statement) based on a review of their own arrangements. While it is not mandatory in Scotland, publication of a Statement is viewed as good practice and satisfies the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.
- 2.3 An Annual Governance Statement has been included in the Council's Annual Accounts since 2008/09 and I attach, at **Appendix 1**, a draft Statement for the year to 31 March 2013. The Statement is structured around the above six principles, and includes a separate section on the Council's system of internal financial control, as well as a number of areas for improvement over the coming year.
- 2.4 Following consideration by Committee, the Statement requires to be signed by the Leader of the Council and Chief Executive, and will be published with the Council's 2012/13 Annual Accounts.

### **3. RECOMMENDATIONS**

#### **3.1 Members are invited to:**

- 3.1.1 note this report on the Council's governance arrangements;
- 3.1.2 review and approve the draft Annual Governance Statement;  
and
- 3.1.3 note that the Annual Governance Statement will form part of the Council's 2012/13 Annual Accounts.

.....

**Chief Executive**

**Date: 14 June 2013**