

## Item 6

### **TYNE AND WEAR ECONOMIC DEVELOPMENT JOINT COMMITTEE 27<sup>th</sup> June 2013**

#### **Annual Governance Statement for 2012/2013**

#### **Report of the Treasurer to the Joint Committee**

##### **1. Purpose of the Report**

- 1.1 This report provides details of the findings of the annual review of the governance and internal control arrangements in place for the Joint Committee.
- 1.2 The report includes the draft Annual Governance Statement for consideration and approval, prior to its incorporation into the Annual Return for 2012/2013.

##### **2. Description of Decision**

- 2.1 The Committee is asked to note the findings of the annual review and approve the draft Annual Governance Statement.

##### **3. Review of key internal control systems and evidence**

- 3.1 The Committee has an agreed constitution and has adopted the code of governance arrangements utilised by Tyne and Wear Development Company Limited, which are both based primarily on Sunderland City Council's arrangements.
- 3.2 The arrangements of the Joint Committee have been agreed by members of the Joint Committee from all of the Tyne and Wear district councils and have been fully observed throughout the year. There have been no constitutional or governance issues to report during the year.
- 3.3 The system of internal control has been reviewed by taking into account the following areas:
  - a) work of the internal auditor;
  - b) the effectiveness of internal audit;
  - c) the risk register has been reviewed (an annual requirement) and
  - d) the view of the external auditor.
- 3.4 These all help to inform the effectiveness of the system of internal control and the governance arrangements in place.
- 3.5 The internal audit service carried out 1 audit during 2012/2013 and there were no issues found or recommended to management. The internal auditors did not report any material weaknesses in the system of internal or financial control.

- 3.6 The effectiveness of the Internal Audit Section of Sunderland City Council (the auditors of the Joint Committee) has been reviewed by the council's external auditor and gave a view that 'there are robust arrangements in place to comply with the Code' (Code of Practice on Internal Audit).
- 3.7 The risks of the Joint Committee have been re-assessed and audited (Appendix 1) and all risks identified continue to be assessed as very low risk.
- 3.8 The external auditor provides an opinion on the Annual Report each year and no matters have arisen from their past audit work since the Joint Committee was first established on 1<sup>st</sup> April 2000.

#### **4. Conclusion**

- 4.1 The evidence in the year would support the view that the system of internal control is effective and no matters have arisen to report to the Joint Committee.

#### **5. Annual Governance Statement for 2012/2013**

- 5.1 The Annual Governance Statement has been prepared taking into account the above evidence and by also taking into account guidance provided by CIPFA's framework 'Delivering Good Governance in Local Government' and is attached for approval at Appendix 2.