



Report of: **Executive Member for Finance and Resources**

Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	14 <sup>th</sup> June 2017		

Delete as appropriate		Non-exempt	
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## **SUBJECT: Annual Governance Statement 2016/17**

### **1.Synopsis**

- 1.1.An annual report on the Council’s governance arrangements is published with the Statement of Accounts as the Annual Governance Statement (AGS).
- 1.2.This report sets out the AGS for 2016/17 as Appendix A.

### **2. Recommendations**

- 2.1.The Audit Committee is asked to note the contents of the Annual Governance Statement.
- 2.2.CIPFA have updated the “Delivering Good Governance” framework for 2016/17 and to this end, we have updated the template to reflect the new key requirements.
- 2.3.We have had contributions from Finance, Legal/Democratic Services/Governance, Communications, Transformation and Information Governance. We have also received the Service Assurance Statements from Resources, Children’s Services, E&R, HASS and Chief Executive’s Office which are reflected.
- 2.4.External Audit, KPMG, reviewed the AGS during April 2017. They confirmed that they were happy that the AGS covers everything as required, and only suggested some minor changes which will be reflected in the final version. However, should any significant issue(s) arise

during their external audit, they may wish to revisit the AGS to ensure it accurately reflects the situation.

### **3. Background**

- 3.1 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government 2016.
- 3.2 The Annual Governance Statement explains how the Council has complied with the code and also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement. In line with the CIPFA/SOLACE framework, this statement is “an open and honest self-assessment” of the Council’s performance across all of its activities and:
- Describes the key elements of the Council's governance arrangements, covering all corporate systems and the range of activities for which the Council is responsible;
  - Describes processes applied in reviewing their effectiveness; and
  - Lists actions proposed to deal with significant governance issues identified

### **4. Implications**

#### **Financial implications:**

A sound system of internal controls forms a significant part of the framework and is essential to underpin the effective use of resources.

#### **Legal Implications:**

Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 requires the Council to conduct an annual review of its system of internal control and following the review, the Council must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.

#### **Environmental Implications:**

There are no environmental implications.

#### **Resident Impact Assessments**

There are no direct Resident Impact Assessment implications arising from the recommendations in this report

**5. Conclusion and reasons for recommendations**

5.1. The Annual Governance Statement, attached as Appendix A, reports on the Council's governance arrangements and control environment and once approved will form part of the Statement of Accounts.

**Appendices**

Appendix A: Draft Annual Governance Statement 2016/17

Final Report Clearance

**Signed by**



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Corporate Director of Finance

Date

**Received by**

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Head of Democratic Services

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Date

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