



Report of: **Corporate Director Resources**

Meeting of	Date	Ward(s)
Audit Committee	24 <sup>th</sup> July 2018	All

Delete as appropriate		Non-exempt
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## **SUBJECT: Annual Governance Statement 2017-18**

### **1. Synopsis**

- 1.1. This report provides Committee with the Council's 2017-18 Annual Governance Statement (AGS). In accordance with Regulation 6 of the Accounts and Audit Regulations 2015, the Council is required to undertake a review its governance framework and publish an AGS as part of the Statement of Accounts.
- 1.2. The purpose of the AGS process is to provide a continuous review of the Council's governance framework, to provide assurance on its effectiveness and, where applicable, produce an action plan to address weaknesses identified. The process of preparing the AGS adds value to the corporate governance and internal control framework.
- 1.3. This report is intended to support the Committee in obtaining assurance that the Council has a sound framework of governance, risk management and internal control.

### **2. Recommendations**

- 2.1. Committee is requested to approve the content of this report and the AGS attached at Appendix A.

### **3. Background**

- 3.1. As in previous years, the production of the AGS has been led by the Head of Internal Audit, with contributions received from key officers across the Council including Law, Finance, Strategy, Children's Services, Housing and Adult Social Care, and Environment and Regeneration.

- 3.2. The 2017-18 AGS follows the guidelines encompassed in the CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework (2016).
- 3.3. Section 3 of the AGS aligns with Chapter 7 of the CIPFA/SOLACE framework, which lists the key elements of the structures and processes that should comprise an authority's governance arrangements.
- 3.4. In line with the framework, the AGS (attached at Appendix A) is an 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 (Section 3),
  - the processes applied in reviewing the effectiveness of the Council's governance framework, including the system of internal control (Section 4),
  - the actions proposed to deal with any significant governance issues identified (Section 5),
  - other areas of assurance and governance (Section 6).
- 3.5. While not published, it is worth noting that, since 2016-17 a comprehensive self-assessment underpins the AGS. The self-assessment is prepared in accordance with the CIPFA/SOLACE Delivering Good Governance Guidance notes. The self-assessment is a useful tool as it allows authorities to assess how far their processes and documentation meet the criteria suggested in the CIPFA/SOLACE framework.
- 3.6. The governance framework described in the AGS has been in place at the Council for the year ended 31 March 2018.

## **4. Implications**

### **4.1. Financial implications**

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

4.2. It should be noted that since the AGS was prepared and signed, the Council has reported its financial outturn for 2017-18. The £5.7m overspend quoted in paragraph 6.2 of the AGS improved to an overspend of £3.9m.

### **4.3. Legal Implications**

Regulation 6 (1) 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.

### **4.4. Environmental implications**

There are no environmental implications arising from the recommendations in this report.

### **4.5. Resident Impact Assessment**

There are no direct resident impact assessment implications arising from the recommendations in this report.

## **5. Reason for recommendations**

The Annual Governance Statement, attached at Appendix A, reports on the Council's governance arrangements and control environment and, having been approved by CMB and signed by the Leader and Chief Executive, forms part of the Statement of Accounts.

**Appendices:**

Appendix A – 2017-18 Annual Governance Statement

Final report clearance:

**Signed by:**

Mike Curtis



Corporate Director Resources

Date July 2018

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