



Report of: Director – Financial and Asset Management (s151)

Meeting of	Date	Ward(s)
Audit Committee	3 rd June 2019	All

Delete as appropriate		Non-exempt
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SUBJECT: Annual Governance Statement 2018-19

1. Synopsis

- 1.1. This report provides Committee with the Council's 2018-19 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 adopt 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. The Council's Corporate Management Board (CMB) reviewed the AGS on 30th April 2019 and 14th May 2019.

3.2. The 2018-19 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 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),
- other areas of assurance and governance (Section 5),
- the actions proposed to deal with any significant governance issues identified (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. In 2018/19, in addition to the comprehensive self-assessment; self-assessments were undertaken by each directorate locally.

3.6. The governance framework described in the AGS has been in place at the Council for the year ended 31 March 2019.

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. 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.

4.3. Environmental implications

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

4.4. Resident Impact Assessment .

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the decision currently being sought does not have direct impacts on residents.

5. Reason for recommendations

The Annual Governance Statement, attached at Appendix A, reports on the Council's governance arrangements and control environment, and forms part of the Statement of Accounts.

Appendices:

Appendix A – 2018-19 Annual Governance Statement

Final report clearance:

Signed by:



Alan Layton – Director Financial and Asset Management (s151) Date 21 May 2019

Report Author: Nasreen Khan, Head of Internal Audit, Investigations and Risk Management

Tel: 0207 974 2211

Email: nasreen.khan@islington.gov.uk

Financial Implications

Author: Mohammed Sajid

Email:

Mohammed.Sajid@islington.

gov.uk

Legal Implications Author:
Peter Fehler

Email:
peter.fehler@islington.gov.uk

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