

1 SUMMARY OF MAIN PROPOSALS

1.1 For the Audit Committee to review and approve the 2016/17 Annual Governance Statement to accompany the annual accounts.

2 RECOMMENDATION

2.1 That members of the Audit Committee approve the Annual Governance Statement 2016/17, attached as Appendix A (including Annex 1), and note the information in the report

3 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	<i>The Governance Framework encompasses the whole Council and therefore all of the Council's priorities.</i>
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/ DELIVERY DATE	<i>Annual Governance Statement signed and ready to accompany the 2016/17 accounts by 30th June 2017.</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	No	<i>The governance framework includes several financial elements, including the Council's financial regulations, the budget strategy and the Treasury Management Strategy. These provide the financial parameters, systems, processes and guidelines within which the Council must operate and as such assist in the delivery of good governance. Strong financial management also supports the delivery of value for money in ensuring economy, efficiency and effectiveness in the Council's decision making and processes.</i> <i>The Council's external auditors give an opinion on the financial statements of the authority and a value for money conclusion in their opinion on the accounts and in their Annual Audit Letter each year which provides further assurance.</i>
LEGAL ISSUES	Yes	<i>The requirement for an Annual Governance Statement is established at Part 2 paragraph 6 of the Accounts and Audit Regulations 2015. Further details of this requirement are set out at sections 4.1 and 4.2 of this report.</i>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<i>Good governance supports the identification and management of risks and robust control arrangements.</i>
IMPACT ON SPECIFIC WARDS	Yes	<i>Borough-wide impact</i>

4 INFORMATION

- 4.1 Under the Accounts and Audit Regulations 2015 the Council is required to produce an Annual Governance Statement and it is best practice that the statement is signed by the Leader and Managing Director of the Council. This statement should accompany the Annual Accounts.
- 4.2 The Annual Governance Statement for 2016/17 is attached at Appendix A and has been developed based on the requirements of the regulations and CIPFA/Solace guidance¹. The statement includes an action plan (Annex 1) to ensure that we continue to improve our existing governance arrangements.
- 4.3 The action plan attached to the 2015/16 statement (implemented during 2016/17) has been reviewed and updated to reflect current progress. The position as at 31/03/17 is attached as Appendix B to this report.
- 4.4 The Annual Governance Statement and the Local Code of Good Governance outlines that the Council has a robust governance framework in place but that it is continually reviewing procedures to maintain and demonstrate good corporate governance. It is supported by risk management and sound systems of internal control which are paramount in these continuing times of financial constraint. The Council can be assured that during 2016/17, including during organisational and personnel changes, that the existing or revised governance arrangements have continued to support proper governance. Where required changes to procedures have been agreed by SMT and changes to the Constitution have been agreed by the Council, through the Council's Constitution Committee.
- 4.5 Assurance for the Annual Governance Statement is provided by all areas of the Council and externally by the following:
- a) Leader and Managing Director – who sign the statement to acknowledge their responsibilities;
 - b) Senior management – Managing Director, Directors, Assistant Directors;
 - c) Chief Financial Officer;
 - d) The Monitoring Officer;
 - e) Members – Scrutiny arrangements, Standards Committee, Audit Committee and other Regulatory Committees;
 - f) Internal Audit ;
 - g) Partners;
 - h) External Audit; and
 - i) Other external inspection agencies.
- 4.6 The 2016/17 Annual Governance Statement sets out adherence to the Council's governance arrangements that operated during the period – 1st April 2016 to 31st March 2017 and measures the effectiveness of them.
- 4.7 The Council's current Code of Good Governance was approved last June to reflect the April 2016 CIPFA/SOLACE updated framework including revised principles and guidance but further application and good practice has been received during the year and the local code has therefore been updated further. The Code continues to reflect the Council's culture and values including the Council's "Being the Change" document.

5 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

N/A

¹ Delivering Good Governance in Local Government: Framework (2016 Edition)

6 **PREVIOUS MINUTES**

- 6.1 Cabinet 26th June 2014; 25th June 2015; 16th June 2016
 Audit Committee 30th June 2014; 30th June 2015; 28th June 2016

7 **BACKGROUND PAPERS**

Local Code of Corporate Governance May 2008
CIPFA/SOLACE – Delivering Good Governance in Local Government: Framework (2016 Edition)
KPMG Annual Audit Letter 2015/16
External inspection reports 2016/17
Annual Audit & Information Governance Report 2016/17

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