

**TELFORD & WREKIN COUNCIL****CABINET - 19 APRIL 2018****AUDIT COMMITTEE - 29 MAY 2018****THE ANNUAL GOVERNANCE STATEMENT 2017/18 AND UPDATED LOCAL CODE OF GOOD GOVERNANCE****JOINT REPORT OF THE CHIEF FINANCIAL OFFICER AND THE MONITORING OFFICER****LEAD CABINET MEMBER - CLLR R C EVANS****1 SUMMARY OF MAIN PROPOSALS**

- 1.1 For the Cabinet to agree the Annual Governance Statement 2017/18 prior to the statement being signed by the Leader and Managing Director. The Statement will then be sent to the Audit Committee for review and approval and will accompany the 2017/18 annual accounts.
- 1.2 For the Cabinet to approve an updated Local Code of Good Governance.

**2 RECOMMENDATION**

- 2.1 That members of the Cabinet agree the Annual Governance Statement 2017/18, attached as Appendix A, and note the information in the report.
- 2.2 That members of the Cabinet approve the updated Local Code of Good Governance attached as Appendix C.
- 2.3 That members of the Audit Committee approve the Annual Governance Statement 2017/18, attached as Appendix A, and note the information in the report

**3 SUMMARY IMPACT ASSESSMENT**

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|---|--|---|
| <b>COMMUNITY IMPACT</b>                 | 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   |   |
| <b>TARGET COMPLETION/ DELIVERY DATE</b> | <i>Annual Governance Statement signed and ready to accompany the 2017/18 draft accounts by 31 May 2018.<br/>Updated Local Code of Good Governance is required to ensure it reflects the updated guidance against which the Council must assess itself for 2017/18 Annual Governance Statement onwards.</i> |   |
| <b>FINANCIAL/VALUE FOR MONEY IMPACT</b> | 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,</i> |

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|   |     | <p><i>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></p> <p><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></p> <p><i>PH 22/3/18</i></p> |
| <b>LEGAL ISSUES</b>                             | Yes | <p><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></p>   |
| <b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b> | Yes | <p><i>Good governance supports the identification and management of risks and robust control arrangements.</i></p>  |
| <b>IMPACT ON SPECIFIC WARDS</b>                 | Yes | <p><i>Borough-wide impact</i></p>   |

#### **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 2017/18 is attached at Appendix A and has been developed based on the requirements of the regulations and CIPFA/Solace guidance<sup>1</sup>. 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 2016/17 statement (implemented during 2017/18) has been reviewed and updated to reflect current progress. The position as at December 2017 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 2017/18, including during organisational and personnel changes, that the existing or revised governance arrangements have continued to support

<sup>1</sup> Delivering Good Governance in Local Government: Framework (2016 Edition)

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 2017/18 Annual Governance Statement sets out adherence to the Council's governance arrangements that operated during the period – 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 and measures the effectiveness of them.
- 4.7 The Council's current Code of Good Governance was approved last June to reflect the April 2016/17 to reflect the CIPFA/SOLACE updated framework including revised principles and guidance. There have been minor changes during 2017/18 and these are reflected in the updated document. 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

## **6 PREVIOUS MINUTES**

- 6.1 Cabinet 18<sup>th</sup> May 2017  
Audit Committee 29<sup>th</sup> May 2017

## **7 BACKGROUND PAPERS**

Local Code of Corporate Governance May 2008  
CIPFA/SOLACE – Delivering Good Governance in Local Government: Framework – Local Code (2017 Edition)  
Annual Audit & Information Governance Report 2017/18

Report by Robert Montgomery - Audit & Governance Team Leader.  
Tracey Drummond – Principal Auditor.