

## Report to Audit Committee

11<sup>th</sup> April 2018

By the Director of Corporate Resources

### INFORMATION REPORT



Not exempt

## Draft Annual Governance Statement 2017/18

### Executive Summary

The annual review of the Council's governance, risk management and internal control arrangements has been undertaken to support the production of the Annual Governance Statement for 2017/18. This review included information and assurance gathering processes to ensure that the published Annual Governance Statement is correct as well as a review of the Council's Governance framework against the best practice framework devised by CIPFA/SOLACE.

The aim of the review process is to ensure that the Council has effective governance, risk management and internal control processes in place to assist with accountability and the delivery of objectives. Additionally, the review process has identified any shortfalls in these arrangements to enable them to be addressed.

### Recommendations

That the Committee is recommended:

- i) To review the draft Annual Governance Statement for 2017/18.

### Reasons for Recommendations

- i) As part of good governance, it is important that the Annual Governance Statement is approved by the Audit Committee

**Background Papers:** Supporting evidence, Head of Service Assurance Statements, and the Annual Internal Audit Report.

**Consultation:** The Senior Leadership Team, Monitoring Officer, Head of Community & Culture, Head of Finance, Head of HR & OD, Head of Technology Services and the Chief Internal Auditor.

**Wards affected:** All

**Contact:** Julie McKenzie Project Assurance Manager, 01403-215306

**Attachments:**

Appendix A: Annual Governance Statement 2017/18

Appendix B: Local Code of Corporate Governance

Appendix C: Governance Assurance Framework

Appendix D: AGS Action Plan 2017/18

Appendix E: AGS Action Plan 2018/19

## **Background Information**

### **1 Introduction and Background**

- 1.1 The Accounts and Audit (England) Regulations 2015 require the Council to review, at least annually, the effectiveness of its governance arrangements and publish an Annual Governance Statement.
- 1.2 Senior officers have been consulted and supporting documentation has been updated to reflect the current position.

### **2 Relevant Council Policy**

The Audit Committee is responsible for approving the Annual Governance Statement in accordance with the Committee's terms of reference.

### **3 Details**

- 3.1 The Annual Governance Statement for 2017/18 is attached in Appendix A.

### **4 Next Steps**

- 4.1 The Committee is asked to approve the Annual Governance Statement.

### **5 Outcome of Consultations**

- 5.1 Key officers have been consulted when compiling the Annual Governance Statement, including the Senior Leadership Team; Monitoring Officer; Head of Community & Culture; Head of Finance; Head of Human Resources and Organisational Development; and the Chief Internal Auditor. In addition, Heads of Service have completed and signed Annual Assurance Statements covering their areas of responsibility.

### **6 Other Courses of Action Considered but Rejected**

- 6.1 None.

### **7 Resource Consequences**

- 7.1 There are no direct staffing consequences arising from this report.

### **8 Legal Consequences**

- 8.1 Regulation 6 of The Accounts and Audit (England) Regulations 2015 requires that:-

**6.—(1)** A relevant authority must, each financial year—

- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
- (b) prepare an annual governance statement;

(2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must—

(a) consider the findings of the review required by paragraph (1)(a)—

- (i) by a committee; or
- (ii) by members of the authority meeting as a whole; and

(b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of—

- (i) a committee; or
- (ii) members of the authority meeting as a whole.

8.2 In 2016 CIPFA/SOLACE published a revised framework for Corporate Governance: "Delivering Good Governance in Local Government Framework". This framework provides a useful and practical update and follows seven core principles of good governance. The Framework urges local authorities to review and report on the effectiveness of the governance arrangements.

## **9 Risk Assessment**

9.1 There are no risks associated with this report.

## **10 Other Considerations**

10.1 This report has no effect on Crime & Disorder; Human Rights; Equality & Diversity or Sustainability.