

**Report to Accounts, Audit & Governance  
Committee**

28<sup>th</sup> June 2016

By the Director of Corporate Resources

**INFORMATION REPORT**



**Horsham  
District  
Council**

Not exempt

**“Draft” Annual Governance Statement 2015/16**

## **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 2015/16. 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**

- i) The Committee is asked to consider the “draft” Annual Governance Statement for 2015/16 so that comments can be incorporated prior to the formal approval of the statement. This will take place with the Statutory Financial Statements at the September meeting of this Committee.

## **Reasons for Recommendations**

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

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

**Consultation:** The Senior Leadership Team, Monitoring Officer, Head of Community & Culture, Head of Finance, HR & OD Manager, and the Commissioning & Performance Manager.

**Wards affected:** All

**Contact:** Paul Miller, Chief Internal Auditor, 01403-215319

## **Background Information**

### **1 Introduction**

- 1.1 The Accounts and Audit (England) Regulations 2011 require the Council to review, at least annually, the effectiveness of its governance arrangements and publish an Annual Governance Statement.

#### **Background/Actions taken to date**

- 1.2 Senior officers have been consulted and supporting documentation has been updated to reflect the current position.
- 1.3 The Accounts Audit and Governance Committee is asked to consider the “draft” Statement to enable their comments to be incorporated prior to the formal approval of the Statement. This will take place with the Statutory Financial Statements at the September meeting of this Committee.

### **2 Statutory and Policy Background**

#### **Statutory background**

- 2.1 Regulation 4 of The Accounts and Audit (England) Regulations 2011 requires that:-
- 4(1) the Council shall be responsible for ensuring that the financial management of the Council is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council’s functions and which includes arrangements for the management of risk; and
  - 4(2) the Council shall conduct a review at least once in a year of the effectiveness of its system of internal control; and
  - 4(3) a) the findings of the review must be considered by the Members of the Council meeting as a whole or by a committee  
b) following the review the body or committee must approve an Annual Governance Statement prepared in accordance with proper practices in relation to internal control; and
  - 4(4) the Annual Governance Statement shall accompany the Statement of Accounts.
- 2.2 In 2007 CIPFA/SOLACE published a framework for Corporate Governance: "Delivering Good Governance in Local Government Framework". This framework provides a useful and practical update to the original Framework and follows the six core principles of good governance outlined in the Good Governance Standard for Public Services (2004) which was developed by the Commission on Good Governance in Public Services. CIPFA and SOLACE reviewed the Framework in 2012 to ensure that it remains “fit for purpose”. The Framework urges local authorities to review and report on the effectiveness of the governance arrangements.

### **3 Details**

3.1 The Annual Governance Statement for 2015/16 is attached in Appendix 2.

### **4 Next Steps**

4.1 The Committee is asked to review, note and comment on the Annual Governance Statement. The final version of the document will be presented to the September meeting for approval.

### **5 Outcome of Consultations**

5.1 A number of key officers have been consulted (see front page of this report) and comments have been incorporated into the Annual Governance Statement.

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

6.1 None.

### **7 Staffing Consequences**

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

### **8 Financial Consequences**

8.1 There are no direct financial considerations arising from this report.

## Appendix 1

### Consequences of the Proposed Action

What are the risks associated with the proposal?  Risk Assessment attached Yes/No	There are no risks associated with this proposal.
How will the proposal help to reduce Crime and Disorder?	There is not impact on Crime and Disorder
How will the proposal help to promote Human Rights?	There is no impact on Human Rights
What is the impact of the proposal on Equality and Diversity?  Equalities Impact Assessment attached Yes/No/Not relevant	There is no impact on Equality and Diversity
How will the proposal help to promote Sustainability?	This report has no effect on sustainability.