

Corporate Governance and Standards Committee Report

Report of the Managing Director

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Annual Governance Statement

Executive Summary

The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement detailing the governance framework and procedures that have operated at the Council during the year, a review of their effectiveness, significant governance issues that have occurred and a statement of assurance. This report outlines the background to the Annual Governance Statement and provides the Annual Governance Statement for 2015-16 at Appendix 1. The Annual Governance Statement is underpinned by the Audit and Performance Manager's (as Head of Internal Audit) Annual Opinion Report April 2015 to March 2016. The opinion is attached as Appendix 2 to this report.

The Annual Governance Statement will be included in the Council's statement of accounts for 2015-16. The statement concludes that we are a well-run Council with good governance processes in place however there have been a number of significant governance issues during the year, which are reported in Appendix 1 section 6.

Recommendation to Corporate Governance and Standards Committee:

That the Committee considers the Council's Annual Governance Statement as set out in Appendix 1 to this report and refers any comments that it feels appropriate to the Executive.

Reason(s) for Recommendation:

To comply with Regulation 10 of the Accounts and Audit (England) Regulations 2015, the Executive must approve an Annual Governance Statement.

1. Purpose of Report

- 1.1 This report explains the requirement for the Council to prepare an Annual Governance Statement, which the Executive is asked to approve and the Leader and the Managing Director to sign on behalf of the Council.
- 1.2 This report invites this committee to review the draft statement and refer comments to the Executive

2. Strategic Framework

- 2.1 Ensuring long-term financial stability and sound financial governance is a key priority under the 'Your Council' theme within the Corporate Plan

3. Background

- 3.1 The Council has a responsibility to ensure that it conducts its business in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 3.2 In discharging these overall obligations, the Council is responsible for putting in place appropriate arrangements for the governance of its affairs and ensuring that there is a sound system of internal control that facilitates the effective exercise of its functions and includes arrangements for the management of risk. The overall system of controls across the Council contributes to the effective corporate governance of the organisation.
- 3.3 The Audit and Performance Manager and the Head of Financial Services have drafted the statement on behalf of the Chief Finance Officer. She has then reviewed the document and made amendments and additions. Internal Audit, through the Audit and Performance Manager, has provided independent assurance over the system of internal control.
- 3.4 Good governance is about getting things right first time by focussing on the things that matter most. It is about:
 - demonstrating leadership and respect for the democratic process and the purpose of public bodies making proper, timely and transparent decisions
 - managing risk and allocating resources effectively
 - knowing your customers and stakeholders
 - being open, honest and taking responsibility and accountability for your decisions
 - demonstrating high standards of integrity and behaviour both as an individual and as a corporate body.
- 3.5 Good governance is the responsibility of everyone within the organisation and impacts on all the activities of the Council and how we deliver our services.
- 3.6 The Audit Commission and Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE)

have defined a common governance framework and a set of principles for all public services, called Delivering Good Governance in Local Government. CIPFA/SOLACE, last updated in 2012. The Annual Governance Statement attached at **Appendix 1** follows the framework and example governance statement provided in it.

- 3.7 As part of the Annual Governance Statement, we have identified a number of significant governance issues that the Council is working on resolving. These are outlined in section 6 of Appendix 1.

4. Financial Implications

- 4.1 There are no financial implications related to this report

5. Legal Implications

- 5.1 In order to comply with Regulation 10 of the Accounts and Audit (England) Regulations 2015, the Council must approve an Annual Governance Statement.

6. Human Resource Implications

- 6.1 There are no human resource implications to this report.
- 6.2 We will work with PR and marketing on any communications issues that arise.

7. Conclusion

- 7.1 We are a well-run Council with good governance processes in place. However we must continue to improve and in 2016-17 will be concentrating on:
1. The Transformation Programme; which includes fundamental service reviews, asset investment and traded service reviews
 2. Project Management
 3. Risk Management
 4. Performance Management
 5. Workforce Development
 6. Records Management
 7. Improving Transparency

8. Background Papers

Accounts and Audit (England) Regulations 2015
Delivering Good Governance in Local Government (CIPFA/SOLACE)

9. Appendices

Appendix 1: Annual Governance Statement
Appendix 2: Audit and Performance Manager's (as Head of Internal Audit)
Annual Opinion Report April 2015 to March 2016.