

**REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE
OF 14th July 2015**

Meeting: Governance and Audit Committee
Date: 14th July 2015
Subject: Annual Governance Statement
Report of: Simon Riley, Head of Financial Services and S.151 officer
Portfolio Holder: Councillor Bill Liquorish
Status: For Decision
Relevant Ward(s): All

1 Purpose of the Report

- 1.1 This report explains the requirements for the Council to produce an Annual Governance Statement (AGS) and requests the Committee to approve it.
- 1.2 The Annual Governance Statement is a critical component of the Council's governance arrangements. As such, those who are responsible for those arrangements must approve it.

2 Recommendations:

- 2.1 **To discuss and approve the Annual Governance Statement at Appendix A.**

3 Summary of Reasons for the Recommendations

- 3.1 To bring to Members attention the review of governance arrangements for 2014/15 financial year. The review does not take into account any changes which have come into effect since the 1 April 2015

4 Key Facts

- 4.1 The review of the effectiveness of the governance arrangements in respect of 2014/15 financial year is attached to this report. The Council's arrangements for delivering good governance are based on the six core principles set out in the CIPFA/Solace guidelines, these being :

- (a) Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
- (b) Councillors and officers working together to achieve a common purpose with clearly defined functions and roles.
- (c) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- (d) Taking informed and transparent decisions, which are subject to scrutiny and managing risk.
- (e) Developing the capacity and capability of councillors and officers to be effective.
- (f) Engaging with local people and other stakeholders to ensure robust public accountability.

4.2 The Annual Governance Statement summarises the internal control frameworks across the Council and provides an opinion of the standards achieved. In essence, the Annual Governance Statement includes:

- (a) Details of responsibilities for ensuring there is a sound system of governance (incorporating the system of internal control)
- (b) A brief description of the key elements of the governance framework
- (c) An indication of the level of assurance that the systems and processes that comprise the Council's governance arrangements can provide
- (d) An outline of the actions taken, or proposed to deal with in 2015/16 with 'significant' governance issues, including an agreed action plan

4.3 The following sources of assurance are used to help prepare the Annual Governance Statement:

- Internal Audit reports
- External Audit reports (including the Annual Audit Letter)
- CMT/SMT/Executive Assurance submissions.
- Performance Management
- Financial controls
- Risk registers
- External Reviews and Reports
- Statutory Officer (S151 Officer, Monitoring Officer and Head of Paid Service) assurances

4.4 The Annual Governance Statement is signed by the Head of Paid Service (Corporate Directors) and the Leader of the Council This emphasises that the document is about all corporate controls and is not financial controls

4.5 The Annual Governance Statement forms part of the Annual Statement of Accounts. As such, the Governance and Audit Committee formally approve the Annual Governance Statement for inclusion into the Statement of Accounts.

5 Legal Issues

5.1 None arising directly out of this report.

6 Resource Issues

6.1 None arising directly out of this report.

7 Equality Impact Assessment Implications/Outcomes

7.1 None arising directly out of this report.

8. Risk Management Implications

8.1 None arising directly out of this report.

9 Consultation

9.1 None

10 Background Papers

10.1 2013/14 Annual Governance Statement & Action Plan.
Internal Audit Reports & Head of Internal Audit Annual Report

Previous report(s):

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N

Appendices:

A. Annual Governance Statement