

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE		
<b>SUBJECT:</b>	ANNUAL GOVERNANCE STATEMENT		
<b>DATE OF DECISION:</b>	8 FEBRUARY 2016		
<b>REPORT OF:</b>	CHIEF FINANCIAL OFFICER		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Peter Rogers</b>	<b>Tel:</b> 023 8083 2835
	<b>E-mail:</b>	<a href="mailto:peter.rogers@southampton.gov.uk">peter.rogers@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	<b>Andy Lowe</b>	<b>Tel:</b> 023 8083 2049
	<b>E-mail:</b>	<a href="mailto:andrew.lowe@southampton.gov.uk">andrew.lowe@southampton.gov.uk</a>	

#### STATEMENT OF CONFIDENTIALITY

None

#### BRIEF SUMMARY

In accordance with the Accounts and Audit Regulations the Council is required to develop and publish an Annual Governance Statement ('AGS'). The AGS reports on the extent to which the Council has complied with its Code of Corporate Governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

#### RECOMMENDATIONS:

	(i)	To note and approve the assurance gathering process to support the development of the 2015-16 Annual Governance Statement (Appendix 1); and
	(ii)	To note the content of the Annual Governance Statement 2014-15 Action Plan - Status Report (Appendix 2).

#### REASONS FOR REPORT RECOMMENDATIONS

1.	The Governance Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.
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#### ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	No alternative options have been considered
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#### DETAIL (Including consultation carried out)

3.	Regulation 6 (1) of the Accounts and Audit (England) Regulations 2015 requires that the relevant body must conduct a review at least once a year of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices.
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4.	The purpose of the AGS, which is published with the statement of accounts, is to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight those areas where there are significant gaps or where improvements are required.
5.	The AGS is produced following a review of the Council's governance arrangements. The review requires the systems and processes that comprise the Council's corporate governance arrangements to be brought together and reviewed.
6.	An 'assurance gathering process' based on CIPFA/SOLACE guidance is in place and comprises an overall 'Assurance Framework' document together with 'Annual Governance - Self Assessment Statement' completed by each Director. Both the documents cover the key processes and systems that comprise the Council's governance arrangements and are intended to identify any areas where improvement or further development is required.
7.	The process to support the development of the AGS is largely unchanged from the previous year on the basis that it is considered that it is aligned with good practice. It should also be noted that the council's external auditors, Ernst & Young, are required to "consider the completeness of disclosures in the Council's AGS, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance". In their 'Annual Audit Letter for the year ended 31 March 2015' they state that "We completed this work and did not identify any areas of concern".
8.	The AGS itself is developed by a 'Controls Assurance Management Group' (comprising the Section 151 Officer, Chair of the Governance Committee, Monitoring Officer and Chief Internal Auditor) who are responsible for evaluating the assurances and supporting evidence provided, prior to drafting the AGS.
9.	The draft AGS will be presented to the Governance Committee for review and approval prior to being forwarded to the Chief Executive and Leader of the Council for signing.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
10.	N/A
<b><u>Property/Other</u></b>	
11.	N/A
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
12.	The Accounts and Audit (England) Regulations 2015 which require that the Council must each financial year conduct a review of the effectiveness of the system of internal control and prepare an AGS for approval by a committee or members of the authority. The AGS must be approved in advance of the relevant authority approving the statement of accounts.
<b><u>Other Legal Implications:</u></b>	

13.	None
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
14.	None
<b>KEY DECISION?</b>	No
<b>WARDS/COMMUNITIES AFFECTED:</b>	N/A
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	AGS 2015-16 : Process and timelines
2.	Annual Governance Statement 2014-15 Action Plan - Status Report
<b>Documents In Members' Rooms</b>	
1.	N/A
<b>Equality Impact Assessment</b>	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
<b>Privacy Impact Assessment</b>	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
<b>Other Background Documents</b>	
<b>Equality Impact Assessment and Other Background documents available for inspection at:</b>	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None.