

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE		
<b>SUBJECT:</b>	ANNUAL GOVERNANCE STATEMENT 2016-17		
<b>DATE OF DECISION:</b>	24 JULY 2017		
<b>REPORT OF:</b>	CHIEF FINANCIAL OFFICER		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>	
Not applicable	
<b>BRIEF SUMMARY</b>	
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.	
In accordance with CIPFA Guidance, Audit [Governance] Committees should review and approve the final draft of the AGS prior to the document being presented to the Chief Executive and Leader of the Council for signing.	
<b>RECOMMENDATIONS:</b>	
The Governance Committee is asked to:	
(i)	Review the final draft 2016-17 AGS (Appendix 1)
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
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.
2.	This responsibility extends to receiving, reviewing and approving the draft AGS prior to the document being presented to the Chief Executive and Leader of the Council for signing.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
3.	The production of an AGS is a mandatory requirement in accordance with Regulation 6 (1) (b) of the Accounts and Audit (England) Regulations 2015 and therefore no alternative options have been considered.
<b>DETAIL (Including consultation carried out)</b>	
4.	The Committee will recall that, at the previous meeting on 12 <sup>th</sup> June 2017, Members were invited to comment on an early draft of the AGS. This is in accordance with CIPFA guidance which recommends that "the AGS is first reviewed by members of the Audit [Governance] Committee at an early

	stage to allow comments and contributions to be made. The AGS, which forms part of the Statement of Accounts, must be current at the time that it is published’.
5.	<p>The final draft of the 2016-17 AGS (Appendix 1) includes some minor amendments. A summary of these amendments (as highlighted on the draft AGS) are as follows:</p> <p><b>The Governance Framework:</b></p> <ul style="list-style-type: none"> <li>• <b>Section C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</b></li> </ul> <p>The narrative in respect of the Better Care Fund has been slightly amended following comments received from the Director of Quality and Integration.</p> <p><b>Review of Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• <b>Addition bullet point added</b></li> </ul> <p>Now includes the Chief Internal Auditor’s Opinion. This reflects a subtle change in the wording of the ‘Code of practice on local authority accounting 2016/17’ in respect of the disclosure requirements for the AGS.</p> <p><b>Significant Governance Issues:</b></p> <ul style="list-style-type: none"> <li>• <b>Governance Issue 1</b></li> </ul> <p>The narrative in the ‘planned action’ section has been updated to make reference to the ‘Induction Plus’ programme for existing staff. A ‘target date’ for the e-learning modules to be on the Learning and Development portal had also been added.</p> <ul style="list-style-type: none"> <li>• <b>Governance Issue 3</b></li> </ul> <p>The narrative in the ‘planned action’ section has been updated to reflect the current position</p>
6.	Subject to any further comments, the final draft of the AGS will be presented to the Chief Executive and Leader of the Council for signing
7.	As per the process adopted in previous years, and in accordance with good practice, the Governance Committee will be provided with a mid-year update report in respect of the status of the ‘Planned Actions’.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
8.	None
<b><u>Property/Other</u></b>	
9.	None
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
10.	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>	
11.	None

<b>RISK MANAGEMENT IMPLICATIONS</b>	
12.	Production of an AGS is a requirement under the Accounts and Audit (England) Regulations 2015 and is therefore required to be complied with. The risk of the AGS not capturing or reflecting significant issues is managed via the 'assurance gathering process' which has been developed in accordance with the new "Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016)".
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
13.	None

<b>KEY DECISION?</b>	No
<b>WARDS/COMMUNITIES AFFECTED:</b>	Not applicable
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Draft AGS 2016-17

**Documents In Members' Rooms**

1.	None
<b>Equality Impact Assessment</b>	
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	No
<b>Privacy Impact Assessment</b>	
<b>Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.</b>	No
<b>Other Background Documents</b>	
<b>Other Background documents available for inspection at:</b>	
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	None