

DECISION-MAKER:	Governance Committee		
SUBJECT:	Annual Governance Statement		
DATE OF DECISION:	10 th June 2019		
REPORT OF:	Chief Financial Officer		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
<p>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.</p> <p>The Governance Committee is responsible for receiving, reviewing and approving the draft AGS.</p>			
RECOMMENDATIONS:			
	(i)	To review the draft 2018-19 AGS (Appendix 1); and	
	(ii)	To note the status of the 2017-18 AGS Action Plan (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.		
2.	In accordance with CIPFA Guidance, Audit [Governance] Committees should be provided with early sight of a draft of the AGS noting that the final version will be signed as part of the Statement of Accounts.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
3.	No alternative options have been considered. The development and publication of an AGS is a requirement under the Accounts and Audit Regulations.		
DETAIL (Including consultation carried out)			
4.	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.		

5.	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.
6.	The draft AGS, which has been developed in accordance with the ‘Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016)’, reflects the seven core principles of good governance which are referred to in the council’s Code of Corporate Governance.
7.	The AGS is produced following a review of the systems and processes that comprise the Council’s governance arrangements. The key components of this process are completion of an ‘Assurance Framework’ document together with ‘Self-Assessment Statements’ completed by each Service Director. Both 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.
8.	<p>The draft 2018-19 AGS has been developed by the council’s ‘Controls Assurance Management Group’ comprising the Section 151 Officer (Service Director - Finance and Commercialisation), Monitoring Officer (Service Director - Legal and Governance), Chief Internal Auditor, Deputy Chief Executive and the Chair of Governance Committee. This reflects CIPFA/ Solace guidance which confirms that authorities should nominate an individual or group of individuals within the authority who have appropriate knowledge and expertise and levels of seniority to:</p> <ul style="list-style-type: none"> • Consider the extent to which the authority complies with the principles of good governance; • Identify systems, processes and documentation that provide evidence of compliance; • Identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified; • Identify issues that have not been addressed in the authority and consider how they should be addressed; and • Identify the individuals who would be responsible for undertaking the actions that are required.
9.	The draft AGS has also been presented and discussed at the Council’s Management Team.
10.	The AGS must be current at the time it is published so the final version of the 2018-19 AGS will be presented to the Governance Committee at the July meeting for approval prior to being signed by the Leader of the Council and the Interim Chief Executive respectively.

RESOURCE IMPLICATIONS

Capital/Revenue

11.	None
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Property/Other

12.	None
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13.	The Accounts and Audit (England) Regulations 2015 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.	
Other Legal Implications:		
14.	None	
RISK MANAGEMENT IMPLICATIONS		
15.	Failure to develop and publish an Annual Governance Statement would result in a failure of the organisation to meet a statutory requirement.	
POLICY FRAMEWORK IMPLICATIONS		
16.	None	
KEY DECISION?		No
WARDS/COMMUNITIES AFFECTED:		n/a
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Draft Annual Governance Statement 2018-19	
2.	2017-18 Annual Governance Statement – Action Plan	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
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	