

ANNUAL GOVERNANCE STATEMENT 2018/19

Head of Service/Contact: Gillian McTaggart, Head of Policy,
Performance & Governance

Annexes/Appendices (attached): **Annex 1** - Draft Annual Governance
Statement 2018/19

**Other available papers (not
attached):**

Report summary

This report seeks the Committee's formal approval of the draft Annual Governance Statement (AGS) and the arrangements made for its preparation as part of the 2018/19 financial statements.

Recommendation (s)

The Committee is asked to:

- (1) Confirm the adequacy of the arrangements made for preparing the Annual Governance Statement**
- (2) Consider and endorse the 2018/19 AGS prior to it being certified by the Chief Executive and the Chairman of the Strategy & Resources Committee**
- (3) Give delegated authority to the Chief Finance Officer to make any required amendments prior to its submission with the Statement of Accounts.**

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 Corporate governance affects all aspects of our services because it relates to the framework in which decisions are made. It is defined as the system by which local authorities direct and control their functions and relate to their communities.

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1.2 The AGS underpins everything we do and supports our core values of openness and integrity.

1.3 The Committee's terms of reference cover the responsibility for review and approval of the AGS.

2 Background

2.1 Our governance arrangements aim to ensure that we set and meet objectives, act lawfully, openly and honestly. All monies and resources are accounted for, safeguarded and used economically, efficiently and effectively.

2.2 The Accounts and Audit (England) Regulations 2015 require that councils produce a statement to cover their whole internal control environment, both financial and non-financial. The AGS is designed to provide assurance concerning our governance arrangements.

2.3 The principles and standards are based on the CIPFA /SOLACE guidance: Delivering Good Governance in Local Government Framework 2016.

2.4 The AGS forms part of the 2018/19 financial statements.

3 Proposals

3.1 The Council is committed to the principles of corporate governance and has adopted the principles contained in the latest guidance issued by CIPFA/SOLACE. The Code of Corporate Governance was approved by Strategy & Resources Committee in April 2017.

3.2 The AGS is attached as **Annex 1** to this report. The statement outlines the following:

- The purpose of the Governance Framework and compliance with the principles;
- The process of annually reviewing the effectiveness of the governance and internal control framework; and,
- Identifying significant governance issues arising from the 2018/19 Annual Governance Statement and monitoring issues from the 2017/18 statement.

3.3 The AGS is an important document as it is one form of providing assurances to residents and other stakeholders, including the Council's partners, that its decision making processes and procedures have integrity.

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- 3.4 An action plan has been prepared to capture the issues raised throughout the review process. This document will form the basis for the Committee to monitor throughout the year. The action plan is provided as part of the AGS. An update on the action plan will be reported to the Committee in November.
- 3.5 The statement was developed through a comprehensive evaluation process which has included input from the Leadership Team.

4 Financial and Manpower Implications

- 4.1 There are no direct financial implications arising through the preparation and publication of the Council's Annual Governance Statement.
- 4.2 However, the draft statement includes an assessment as to the extent to which the Council's financial and other internal control related procedures are being complied with.
- 4.3 **Chief Finance Officer's comments:** The Annual Governance Statement is a statutory requirement and will be subject to external audit alongside the Statement of Accounts 2018/19 for the Council.

5 Legal Implications (including implications for matters relating to equality)

- 5.1 The AGS is a statutory requirement as set out in the Account and Audit Regulations 2015.
- 5.2 External Audit will review the statement as part of the audit of the 2018/19 accounts.
- 5.3 **Monitoring Officer's comments:** none arising from the contents of this report.

6 Sustainability Policy and Community Safety Implications

- 6.1 There are no implications for the purposes of this report.

7 Partnerships

- 7.1 There are no implications for the purposes of this report.

8 Risk Assessment

- 8.1 The Council's Risk Management Strategy forms one of the key elements of the Council's governance arrangements.

9 Conclusion and Recommendations

- 9.1 The Committee is asked to confirm the adequacy of the arrangements for the compilation of the AGS as well as to endorse the AGS.

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- 9.2 Responsibility for signing the statement lies with the Chief Executive and the Chairman of the Strategy & Resources Committee

Ward(s) Affected: (All Wards);