



SCRUTINY COMMITTEE REPORT

Date Written	3 rd July 2018
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Service Area	Internal Audit
Committee Date	10 th July 2018

To: Chair, Ladies and Gentlemen

Draft Annual Governance Statement 2017/2018

1.0 SUMMARY OF THE REPORT

1.1 The purpose of the report is to provide the Governance, Performance, Business Change and Corporate Services Scrutiny Committee with the opportunity to challenge and contribute to the contents of the Annual Governance Statement (AGS) for 2017/2018.

2.0 RECOMMENDATIONS that

2.1 Governance, Performance, Business Change and Corporate Services Scrutiny Committee note and contribute to the content and production of the Annual Governance Statement for 2017/2018.

3.0 INTRODUCTION AND BACKGROUND

3.1 The Accounts and Audit Regulations 2015 require that Council annually approve an Annual Governance Statement (AGS) for each financial year and that the AGS accompanies the audited Statement of Accounts.

3.2 The information that is taken into consideration when producing the Annual Governance Statement includes performance management information, work completed by the Internal Audit Service, work completed by the external auditors and other external inspection agencies, scrutiny work, risk management and the internal

control framework including procedures, policies, codes of conduct and financial management controls as outlined in the Chartered Institute of Public Finance and Accountancy (CIPFA) / the Society of Local Authority Chief Executives and Senior Managers (SOLACE) guidance.

- 3.3 The Internal Audit Service and key officers of the Council carried out a review based on CIPFA / SOLACE guidance to ensure that evidence was in place to support the production of the Annual Governance Statement, to identify gaps where that was not the case and the review the effectiveness of existing arrangements. This was undertaken as in previous years by utilising a spreadsheet based checklist that was circulated to the key officers (including members of the Corporate Management Team) for completion and also by providing follow up meetings/correspondence with Internal Audit staff to provide support where required.
- 3.4 This work has culminated in the production of a draft version of the Annual Governance Statement (AGS) which has been shared with the external auditors and is presented today for consultation and discussion to receive the views and input of the Governance, Performance, Business Change and Corporate Services Scrutiny Committee on the contents of the draft statement and significant governance issues identified. Any comments and suggestions will be incorporated where applicable into the AGS.
- 3.5 The draft Annual Governance Statement has been presented to Audit Committee and will be presented to Corporate Management Team for consideration and input and will be updated accordingly as deemed required.
- 3.6 The final version of the Annual Governance Statement including the significant governance issues will be presented to Audit Committee for consideration before being presented to Full Council in September 2018 for final approval and published with the Statement of Accounts.

4.0 FORMAT OF ANNUAL GOVERNANCE STATEMENT

- 4.1 A standard format for the Annual Governance Statement has been produced by the CIPFA / SOLACE as shown below:
 - 1) Scope of Responsibility.
 - 2) The Purpose of the Governance Framework.
 - 3) The Governance Framework (including a description of the key elements of the systems and processes).
 - 4) Review of Effectiveness.
 - 5) Significant Governance Issues.
 - 6) Significant Governance Issues reported in the previous year's Statement including a positional update.

4.2 It is important to recognise that the Annual Governance Statement covers all significant corporate systems, processes and controls spanning the whole range of the Council's activities including in particular those designed to ensure that:

- The Council's policies are implemented in practice.
- High-quality services are delivered efficiently and effectively.
- The Authority's values and ethical standards are met.
- Laws and regulations are complied with.
- Required processes are adhered to.
- Performance statements and other published information are accurate and reliable.
- Human, financial and other resources are managed efficiently and effectively.

4.3 The Annual Governance Statement should be approved at a meeting of the Full Council or delegated committee and signed by the Chief Executive and a Leading Member (usually the Leader of the Council).

4.4 Attached as Appendix A is a copy of the draft AGS for 2017/18.

5.0 FINANCIAL IMPLICATION(S)

5.1 There are none specifically identified within this report.

GARETH CHAPMAN
CHIEF EXECUTIVE

COUNCILLOR ANDREW BARRY
CABINET MEMBER FOR GOVERNANCE
AND CORPORATE SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
CIPFA / SOLACE guidance		Internal Audit Office
AGS evidence file and working papers	2017/2018 financial year	Internal Audit Office
Does the report contain any issue that may impact the Council's Constitution?		No