

Subject:	2016/17 ANNUAL GOVERNANCE ASSURANCE STATEMENT AND REVISED CORPORATE GOVERNANCE LOCAL CODE
Meeting and Date:	Cabinet – 12 June 2017 Governance Committee – 29 June 2017 Council – 19 July 2017
Report of:	David Randall, Director of Governance
Portfolio Holder:	Councillor Michael Conolly, Portfolio Holder for Corporate Resources and Performance.
Decision Type:	Non-Key
Classification:	Unrestricted
Purpose of the report:	To approve the Annual Governance Assurance Statement 2016/17 and the revised Corporate Governance Local Code
Recommendation:	<p>(1) Cabinet approve the Annual Governance Assurance Statement and request that the Leader and the Head of Paid Service sign this statement on behalf of the Council.</p> <p>(2) Governance Committee are asked to accept the Annual Governance Assurance Statement alongside the 2016/17 Statement of Accounts.</p> <p>(3) Cabinet and Governance Committee recommend to Council that the revised Corporate Governance Local Code, which reflects the Delivering Good Governance in Local Government Framework (2016 Edition), is adopted.</p> <p>(4) Council adopts the revised Corporate Governance Local Code.</p>

1. Summary

- 1.1 Annually, the Council is required to conduct a review of the effectiveness of our system of internal control and also report on the extent to which we comply with our own Local Code of Corporate Governance. This must be conducted in accordance with the Delivering Good Governance in Local Government Framework 2016 Edition and is reported as the Annual Governance Assurance Statement. Cabinet are asked to accept the Annual Governance Assurance Statement for 2016/17, as recommended by the Corporate Management Team and request that the Leader and the Head of Paid Service sign this statement on behalf of the Council.
- 1.2 The Governance Committee is asked to accept the Annual Governance Assurance Statement alongside the 2016/17 Accounts.
- 1.3 A revised Delivering Good Governance in Local Government Framework (2016 Edition) has recently been published. This Council has reaffirmed its commitment to the principles of good governance in this new framework and these are reflected in a revised Corporate Governance Local Code. Cabinet and Council are requested to recommend this revised Local Code to Council for adoption.

2. Introduction and Background

- 2.1 The Accounts and Audit Regulations 2015, require that the Council conducts at least annually, a review of the effectiveness of its System of Internal Control and also report on the extent to which we comply with our own Local Code of Corporate Governance. The Council's Annual Governance Assurance Statement is prepared to meet these requirements and will be provided alongside the published Statement of Accounts in accordance with the Accounts and Audit Regulations 2015.
 - 2.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) produced a revised Delivering Good Governance in Local Government Framework in 2016 Edition and the requirements of the new Framework are reflected in this year's Annual Governance Assurance Statement and in a revised Corporate Governance Local Code (Appendices 1 and 4).
 - 2.3 The statement is to be signed by the Leader and the Chief Executive, having paid due regard to any matters raised by the Section 151 Officer and the Monitoring Officer. In particular, the opinion of the Director of Governance and Monitoring Officer on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
 - 2.4 The Annual Governance Assurance Statement for 2016/17 is attached. Corporate Management Team agreed to its acceptance in May 2017. The statement has been prepared taking into account the following information:
 - A detailed review of the Council's performance measured against the new Core and Sub Principles as detailed in the Delivering Good Governance in Local Government Framework 2016 Edition.
 - The service review work performed by Internal Audit during the year.
 - Internal Audit's review of Corporate Governance arrangements.
 - Assurance Statements produced by individual Directors of Service.
 - The information gathered as a result of risk assessment and management.
 - The annual reports of the Scrutiny, Governance and Standards Committees
 - 2.5 The Action plan will be monitored during the year and progress reported to Governance Committee.
- ## **3. Identification of Options**
- 3.1 Agree the Annual Governance Assurance Statement including the key actions identified for signature by the Leader and then inclusion in the 2016/17 Accounts and adopt the revised Corporate Governance Local Code.
 - 3.2 Do not agree the Annual Governance Assurance Statement and Corporate Governance Local Code as provided and require further analysis and clarification.

4. Evaluation of Options

- 4.1 Option 1 is the preferred option, as in preparing the Annual Governance Assurance Statement and revising the Council's Corporate Governance Local Code. This fully meets the requirements of the Accounts and Audit Regulations 2015. Delivering Good Governance in Local Government Framework (2016 Edition) states:

"The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government: Framework (2016) would fulfil the statutory requirements across the United Kingdom for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts. In England the Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be "prepared in accordance with proper practices in relation to accounts". Therefore a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government: Framework (2016)".

5. Resource Implications

None.

6. Corporate Implications

- 6.1 Comment from the Section 151 Officer: Finance have been consulted and have nothing further to add (VB).
- 6.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 6.3 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications, however in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

7. Appendices

Appendix 1 – Annual Governance Assurance Statement

Appendix 2 – Action Plan – Backward Looking

Appendix 3 – Action Plan – Forward Looking

Appendix 4 – Revised Corporate Governance Local Code

8. Background Papers

Accounts and Audit Regulations 2015

CIPFA Delivering Good Governance in Local Government Framework 2016 Edition

Contact Officer: David Randall, Director of Governance