

Division(s):

AUDIT AND GOVERNANCE COMMITTEE – 26 APRIL 2017

ANNUAL GOVERNANCE STATEMENT 2016/17

Report by the Director of Law and Governance and Monitoring Officer

Introduction

1. The Audit & Governance Committee has the responsibility of approving the Council's Annual Governance Statement (AGS) each year.
2. Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles. This includes reporting on how they have monitored and evaluated the effectiveness of their governance arrangements in the previous year, and setting out any planned changes in the coming period.
3. This report outlines the changes to the format of the Statement as recommended in good practice guidance, and sets out a review of actions from last year's Statement and a proposed set of actions for the 2017/18 year.

Changes to the format of the Annual Governance Statement

4. Good practice guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) has led to changes to the format of this year's Statement. Previously the Council's AGS included a good deal of description about the Council's governance arrangements in addition to providing a set of actions and an opinion on the Council's governance.
5. However, best practice now requires that Statements shed the description in order to give greater prominence to:
 - An *opinion* on the Council's governance arrangements from the Council's senior managers and the leader of the Council
 - A review of the *effectiveness* of the Council's governance arrangements
 - A review of the *action plan* from last year's statement
 - An *action plan for 2017/18*
6. The AGS (see Annex to this report) now follows this structure. For this year, an annex to the AGS has been included with a much shorter outline of the Council's governance arrangements: during the year, this will be added to the Council's website, freeing up future Statements to focus only on the essential elements.

Conclusion

7. The AGS has been prepared by the Council's Corporate Governance Assurance Group responsible for monitoring the Council's governance arrangements during the year. This Committee's Audit Working Group has endorsed the AGS in preparation for this meeting, having itself requested the addition of the latter three actions in the Statement's 2017/18 action plan. The Committee is invited to approve the AGS as submitted.

Legal Implications

8. The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement prepared to fulfil this requirement should form part of the Council's Statement of Accounts. The report is therefore coming to the Committee to meet this purpose and that timescale. The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance (*Delivering Good Governance in Local Government: Framework (2016)*) fulfils this requirement and I confirm that the Statement put forward with this report is compliant with that guidance/framework.

RECOMMENDATION

9. **The Committee is RECOMMENDED to approve the Annual Governance Statement 2016/17, subject to the Director of Law and Governance making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, Chief Executive and Section 151 officer.**

NICK GRAHAM

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