

Audit and Risk Assurance Committee

17 August 2017

Annual Governance Statement 2016/17

1. Summary Statement

- 1.1 The council has adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.
- 1.2 The framework requires the council to prepare an Annual Governance Statement in order to report publicly on the extent to which it complies with its code of governance on an annual basis, including how it has monitored the effectiveness of the annual governance arrangements in the year, and on any planned changes in the coming period. Every local authority must prepare a governance statement to accompany its statement of accounts, which are due to be published by September 2017.

2. Recommendation

That the Audit and Risk Assurance Committee comments and approves the council's Annual Governance Statement for 2016/17.

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3. Strategic Resource Implications

- 3.1 The governance statement has operated throughout the year ended 31 March 2017 and to date. It accords with proper practice and any significant internal control issues arising are covered in the attached statement. Any finances required to implement the actions arising from the issues identified, will be met from existing resources identified in the medium term financial strategy.

4. Legal and Statutory Implications

- 4.1 The council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. As part of this duty the council has produced an annual governance statement.

5. Implications for the Council's Scorecard Priorities

- 5.1 The governance statement contributes to the achievement of the scorecard objectives providing assurance on the state of the council's governance, risk management and internal control environment.

6. Background Details

- 6.1 The council is responsible for ensuring that its business is conducted in accordance with law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 6.2 In discharging this overall responsibility, the council is responsible for putting in place a framework and a code of corporate governance detailing the arrangements for the governance of its affairs, which includes arrangements for the management of risk.
- 6.3 The council has adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.
- 6.4 The framework requires the council to prepare an Annual Governance Statement to report publicly on the extent to which it complies with its code of governance on an annual basis, including how it has monitored the effectiveness of the annual governance arrangements in the year, and on any planned changes in the coming period. Every local authority must

prepare a governance statement to accompany its statement of accounts, which are due to be published by September 2017.

- 6.5 The governance statement is designed to manage risk to a reasonable level rather than to eliminate all risk of failure. It can therefore only provide reasonable and not absolute assurance of effectiveness. The statement is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's aims and objectives, to evaluate the likelihood of those risks and their impact should they materialise, and to manage them effectively, efficiently and economically.
- 6.6 The statement is signed by the Chief Executive and the Leader of the council, who have a responsibility to ensure that the statement is supported by reliable evidence and accurately reflects the council's internal control environment.
- 6.7 In 2016/17, to support the preparation of the statement, each director has completed an assurance statement to identify any areas of significant weakness and the measures that have been or will be put in place to address them. In addition to this, all Cabinet Members have also completed Member Assurance Statements to identify any areas for improvement.
- 6.8 The governance statement has been prepared using the assurances provided by directors and other assurances obtained including external and internal audit, the strategic risk register, Ofsted and other external reviews.
- 6.9 The governance statement has operated throughout the year ended 31 March 2017 and directors have confirmed (via the completion and signing of forward statements) that it should continue to operate up to the date of the approval of the statement of accounts. A further review of the statement will be carried out prior to this to ensure the statement remains valid.
- 6.10 The statement includes details of the areas where the council has significant governance issues arising and includes a plan detailing the actions that are being or will be taken to address these areas of weakness has also been included. Updates on the progress made in implementing these actions will be presented to the Audit Committee throughout the year.