


AUDIT AND RISK ASSURANCE COMMITTEE

26 July 2018

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| Subject: | Annual Governance Statement 2017/18 |
| Director: | Executive Director – Resources – Darren Carter |
| Contribution towards Vision 2030: |  |
| Contact Officer(s): | Narinder Phagura Business Partner - Audit, Fraud, Risk and Insurance narinder_phagura@sandwell.gov.uk |

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. Reviews and approves the council's Annual Governance Statement for 2017/18, which is attached as Appendix A.

1 PURPOSE OF THE REPORT

- 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. 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 August 2018.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 The Sandwell Vision is at the heart of everything the council does. The completion of the Annual Governance Statement and addressing issues arising from it, will contribute to the ambitions that make up the vision, by ensuring that a strong governance framework is in place.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The council is responsible for ensuring that its business is conducted in accordance with the 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.
- 3.2 In discharging this overall responsibility, the council is also responsible for putting in place proper arrangements for the governance of its affairs and which includes arrangements for the management of risk.
- 3.3 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 and completes and publishes a governance statement with its statement of accounts.
- 3.4 The governance statement is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can only provide therefore, reasonable and not absolute assurance of effectiveness. The governance statement is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 3.5 The statement is signed by the Chief Executive and the Leader of the Council, who have a responsibility to ensure that the document is supported by reliable evidence and accurately reflects the council's internal control environment.
- 3.6 In 2017/18, to support the preparation of the statement, each Executive 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.

- 3.7 The governance statement has been prepared using the assurances provided by Executive Directors and other assurances obtained including external and internal audit, the strategic risk register, Ofsted and other external reviews.
- 3.8 The governance statement has operated throughout the year ended 31 March 2018 and Executive 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.
- 3.9 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 and Risk Assurance Committee throughout the year.

4 THE CURRENT POSITION

- 4.1 The council, in accordance with statutory requirements, completes a governance statement on an annual basis and it is published with the statement of accounts.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The governance statement has been reported to the respective Executive Directors.

6 ALTERNATIVE OPTIONS

- 6.1 It is a statutory requirement for the council to produce a governance statement. As such, alternative options do not need to be considered.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 There are no direct financial and resource implications arising from this report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The council is required to prepare a governance statement to report publicly on the extent to which it complies with its code of governance, including how it has monitored the effectiveness of the governance arrangements in the year and on any planned changes in the coming

period. The council's governance statement must accompany its statement of accounts.

9 EQUALITY IMPACT ASSESSMENT

9.1 It was not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 It was not necessary to undertake a Data Protection Impact Assessment.

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 There are no direct risk implications arising from this report.

12 SUSTAINABILITY OF PROPOSALS

12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There is no direct impact on any council managed property or land from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The committee is requested to review and approve the governance statement for 2017/18.

16 BACKGROUND PAPERS

16.1 None.

17 APPENDICES:

Appendix A – governance statement for 2017/18.

Darren Carter
Executive Director – Resources