

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	NO	
Lead Member: Cllr Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Ray Harding E-mail: ray.harding@west-norfolk.gov.uk Direct Dial: 01553 616245		Other Officers consulted: Management Team, Monitoring Officer, Audit Manager, S151 Officer, Democratic Services Manager, ICT Manager, Extended Management Team		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equalities Impact Assessment NO	Risk Management Implications YES
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)				

Date of meeting: 7 September 2016

Annual Governance Statement for the year 2015/16

Summary

The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The AGS is a public statement that describes and evaluates the Council's overall governance arrangements during a particular financial year.

This report seeks approval of the Council's 2016 Annual Governance Statement covering the 2015/16 year – attached at Appendix A – and also proposes that the Audit Committee take over this function in the future.

Recommendation

It is recommended that

1. The 2016 Annual Governance Statement for the 2015/16 year as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.
2. The Terms of Reference of the Audit Committee are amended to allow the Audit Committee to approve the final Annual Governance Statement on behalf of the authority in future years and to authorise the Leader of the Council and the Chief Executive to sign accordingly.

Reason for Decision

To comply with the statutory requirements in the Accounts and Audit Regulations 2015 and provide for the Audit Committee to be the approving body in future years.

1.0 Background

- 1.1 The Council's Local Code of Corporate Governance sets out six core principles of good governance that focus on the systems and processes for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. These core principles include:
- Focusing on the purpose of the Council
 - Roles and responsibilities of members and officers
 - Standards of conduct and behaviour
 - Decision making, scrutiny and risk management
 - Developing capacity and capability of members and officers
 - Engaging with local people and stakeholders
- 1.2 The extent to which the Council adheres to these principles is described in the Annual Governance Statement.
- 1.3 The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The AGS is a public statement that describes and evaluates the Council's overall governance arrangements during a particular financial year. It includes a self-assessment of the effectiveness of the governance arrangements, across all areas of activity, together with a statement of the actions being taken or required to address any areas of concern.
- 1.4 The Statement is signed by the Leader and Chief Executive of the Council, once agreed by Full Council, and published alongside the Statement of Accounts.

2.0 Proposed Annual Governance Statement

- 2.1 The Statement has been produced in accordance with relevant professional guidance and good practice and a comprehensive review has taken place to ensure that the suggested areas are all included in the Council's AGS for 2015/16.
- 2.2 The production of the statement, and the consultation process, has involved input from Executive Directors, and all Service Managers have been given the opportunity to provide comments. In particular, comment has been sought from the Monitoring Officer, the Audit Manager, the S151 Officer, the Democratic Services Manager and the ICT Manager. The external auditors, Ernst & Young have also provided comment. All input obtained is reflected in the attached version.
- 2.3 The Statement is required to include notification of any significant internal control issues identified and include an action plan to address them. No significant governance issues have been identified through the work undertaken; an Action Plan has been drawn up based on the work undertaken and this is being worked on during the current 2016/17 year, this is on the final page of the statement.

2.4 The Statement also comments on actions progressed from the previous year.

3.0 Audit Committee review

3.1 The Audit Committee have reviewed the Statement and were recommended to consider:

- i. Does the AGS cover all areas of our operations?
- ii. Is it meaningful, easy to read and underpinned by robust evidence?
- iii. Does it accurately reflect our control structure and a sense of its risks, vulnerabilities and resilience to challenges?
- iv. Has compliance with the Code of Corporate Governance been assessed and have any departures from it been disclosed and explained?

4.0 Policy Implications

None

5.0 Financial Implications

None

6.0 Personnel Implications

None

7.0 Statutory Considerations

7.1 The adoption of the Annual Governance Statement is required to comply with the Accounts and Audit Regulations.

8.0 Equality Impact Assessment (EIA)

None

9.0 Risk Management Implications

9.1 The Annual Governance Statement forms part of the Council's risk management process and provides reasonable assurance (as defined in section 8 of the AGS itself) that the Council is complying with the adopted Code of Corporate Governance.

9.2 Failure to maintain an effective approach to producing the AGS may lead to the Council being

- unable to meet its statutory duty
- unable to demonstrate it has effective corporate governance arrangements in place
- open to criticism from external audit.

10.0 Recommendations

- 10.1 From the review undertaken, the assessment and ongoing monitoring work completed and supported by the verification work undertaken by internal audit, we have reached the opinion that key systems are operating soundly and that there are no fundamental weaknesses.
- 10.2 It is recommended that the Annual Governance Statement for 2015/16 as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.
- 10.3 It is also recommended that the Terms of Reference of the Audit Committee be amended to allow the Audit Committee to approve the final Annual Governance Statement on behalf of the authority in future years and to authorise the Leader of the Council and the Chief Executive to sign accordingly.

11.0 Declarations of Interest / Dispensations Granted

None

Background Papers

CIPFA/SOLACE Framework including Guidance Notes and Addendum
2015 Annual Governance Statement
Cabinet / Panel agendas
Various policies, strategies, procedures