

<b>Meeting:</b>	<b>Audit &amp; governance committee</b>
<b>Meeting date:</b>	<b>4 July 2016</b>
<b>Title of report:</b>	<b>Annual governance statement</b>
<b>Report by:</b>	<b>Head of corporate finance</b>

## **Classification**

Open

## **Key decision**

This is not an executive decision.

## **Wards affected**

Countywide

## **Purpose**

To comment on the final draft annual governance statement for 2015/16.

## **Recommendation(s)**

**THAT:**

- (a) subject to any further comments the committee may make, the annual governance statement (appended to this report) be approved for signature by the chairman of audit and governance committee, the chief executive and the section 151 officer.

## **Alternative options**

- 1 There are no alternative options to producing an annual governance statement.

## **Reasons for recommendations**

- 2 To comply with the requirements of the Audit and Accounts Regulations 2015.

## **Key considerations**

- 3 The council has a responsibility for conducting at least annually a review of the

effectiveness of the governance framework including the system of internal control. This is reported through the annual governance statement which is reviewed and approved by the committee as an element of the annual statement of accounts.

- 4 The annual governance statement also provides commentary on how the council's governance framework including the system of internal control can be improved. Whilst the statement by its nature is only signed off once a year, the process of review is continuous. Reports presented to the audit and governance committee inform the development of the annual governance statement, and the committee receives half year progress reports on implementation of the action plan supporting the annual governance statement.
- 5 Following changes to the regulations governing the timeframe for approval of the accounts, the draft annual governance statement must be published by the end of May; the views of the committee were sought at its meeting in May prior to publication and have informed the development of the statement and action plan. Since that draft a further review of the effectiveness of the governance framework has been carried out by management board and the proposed action plan for the year is now more focussed on improvement which will strengthen the governance framework. The draft statement is attached at appendix A, together with a draft action plan at appendix B; also attached for information, at appendix C, is the previous year's action plan.

## **Community impact**

- 6 The council is responsible for ensuring that appropriate safeguards are in place to ensure that it operates effective governance arrangements and internal controls. The decisions the council makes have direct impact on the lives of residents of the county and therefore it is essential that the council have appropriate governance arrangements in place.

## **Equality duty**

- 7 A public authority must, in the exercise of its functions, have due regard to the need to:
  - eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under the act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8 Effective governance arrangements ensure that due consideration is given to the exercise of this duty in the decision-making and actions of the council.

## **Financial implications**

- 9 None arising directly from this report.

## **Legal implications**

- 10 The Accounts and Audit Regulations 2015 include a requirement for all councils to

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Further information on the subject of this report is available from  
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produce an annual governance statement, and set out the timescales by which they must be published.

## **Risk management**

- 11 The statement itself identifies governance risks and the action plan provides mitigation to those risks.

## **Consultees**

- 12 None.

## **Appendices**

Appendix A – draft annual governance statement 2015/16

Appendix B – draft action plan 2016/17

Appendix C – action plan 2015/16

## **Background papers**

- None identified.