

**Report for:  
INFORMATION**

**Item number:9**

<b>Contains confidential or exempt information</b>	<b>No</b>
<b>Subject of report</b>	Draft Annual Governance Statement 2016/17
<b>Responsible officer</b>	Ross Brown, Director of Finance Mike Pinder, Head of Audit & Investigations
<b>Author</b>	Mike Pinder, Head of Audit & Investigations – Ext 5792, <a href="mailto:pinderm@ealing.gov.uk">pinderm@ealing.gov.uk</a>
<b>Portfolio</b>	Cllr Yvonne Johnson - Finance, Performance & Customer Services
<b>For consideration by</b>	Audit Committee
<b>Date to be considered</b>	24 May 2017
<b>Implementation Date if Not Called In</b>	N/A
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Strategic Risk Management

#### **Reason for report**

This report sets out the methodology for producing the Annual Governance Statement (AGS) for 2016/17 and highlights governance issues.

## **1. Recommendations**

1.1 It is recommended that Audit Committee:

- Note the Draft Annual Governance Statement for 2016/17.

## **2. Reason for recommendation and options considered**

2.1 Regulation 6 of the Accounts and Audit Regulations (2015) requires audited bodies to conduct a review at least once per year of the effectiveness of its system of internal control and publish a statement on internal control each year with the authority's financial statements. The AGS therefore fulfils this requirement and is attached as Appendix A to this report.

### **3. Key implications**

- 3.1 The Committee should note that the Chief Executive and Leader must sign the final 2016/17 Annual Governance Statement, which will be published as part of the statement of accounts.
- 3.2 One of the Committee's key roles is to oversee the Authority's control environment and its associated system of internal control and assurance processes. The Committee should satisfy itself that the Authority's assurance statement, in particular the AGS, properly reflects the risk environment and any actions needed to improve it. The Accounts and Audit Regulations (2015) and Public Sector Internal Audit Standards (2017) require the Council to maintain a robust, adequate and effective system of risk management in its delivery of core services. Operation of an effective risk management framework is an important element in order that the Council effectively discharges its corporate governance responsibilities.

### **4. Financial**

- 4.1 The AGS will form part of the published Statement of Accounts for 2016/17.

### **5. Legal**

- 5.1 The Accounts and Audit Regulations 2015 refer to CIPFA guidance in relation to the 'proper practice' of internal audit. CIPFA guidance is therefore utilised in guiding the production of the AGS.

### **6. Value for money**

- 6.1 Compliance with best practice guidance helps ensure that the requirements of the Accounts and Audit Regulations 2015 will be met.

### **7. Risk management**

- 7.1 The preparation of the AGS links to the risk management framework within the authority. A key principle of good governance is 'taking informed decisions and effectively managing risk'. Strong governance helps to ensure congruence with key corporate objectives.

### **8. Community safety**

- 8.1 None

### **9. Links to the 6 Priorities for the Borough**

- 9.1 The effective identification, assessment and management of risk is an important foundation to the successful achievement of the strategic objectives in terms of managing resources effectively. The issues outlined in this report have therefore a focus on all six priorities.

### **10. Equalities and community cohesion**

- 10.1 No equality impact assessment has been undertaken as the report is for information and does not affect the general duties of the Equality Act 2010.

**11. Staffing/workforce and accommodation implications:**

11.1 No changes

**12. Property and assets**

12.1 None

**13. Any other implications:**

13.1 None

**14. Consultation**

14.1 The preparation of the AGS is an important task. Preparation and challenge has been provided by a multi-disciplinary team. An AGS working group, consisting of the Director of Finance, Director of Legal & Democratic Services, Assistant Director of Human Resources & Occupational Development, Director of Strategy and Engagement and the Head of Audit and Investigation.

The AGS was prepared in draft using a wide variety of sources and discussed and challenged by the AGS working group.

**15. Timetable for implementation**

15.1 The final AGS will accompany the financial statements for approval by the Council.

**16. Appendices**

- Appendix A:

**17. Background Information**

- Accounts and Audit Regulations (England) 2015
- Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities 2012.

## Consultation

Name of consultee	Post held	Date sent to consultee	Date response received from consultee	Comments appear in paragraph:
<b>Internal</b>				
Ian O'Donnell	Executive Director of Corporate Resources	08.05.17	08.05.17	Throughout
Ross Brown	Director of Finance (Deputy s151 Officer)	08.05.17	08.05.17	Throughout
Cllr Yvonne Johnson	Portfolio holder – Finance, Performance & Customer Services	10.05.17	N/a	

## Report History

Decision type:	Urgency item?
For Information	No
Report no.: Report author and contact for queries: Mike Pinder, Head of Audit and Investigation, ext. 5792.	