

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 14 September 2016	<b>Meeting Name:</b> Audit, governance and standards committee
<b>Report title:</b>		Annual Governance Statement 2015-16	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## RECOMMENDATIONS

1. That the audit, governance and standards committee approves the annual governance statement 2015-16, as attached (Appendix 1).

## BACKGROUND INFORMATION

2. The Accounts and Audit Regulations 2015 require that the annual governance statement be presented to and approved by an appropriate committee of the council. Under the constitution, the audit, governance and standards committee is the body that formally receives the annual governance statement.
3. The regulations require the annual governance statement to accompany the signed and dated accounts and to be approved at the same time as the statement of accounts. The draft annual governance statement for 2015-16 was presented to this committee on 14 July 2016 and minor amendments were requested which have been made. Formal approval is now sought.
4. Following this approval, the annual governance statement should be signed by the most senior member of the council and most senior officer, who are the Leader of the Council and the Chief Executive.

## KEY ISSUES FOR CONSIDERATION

5. Every year, each local authority is required by law to conduct a review of the effectiveness of its system of internal control and to include a statement reporting on the review, the annual governance statement (AGS), with its financial statements.
6. The annual governance statement is therefore a mandatory statement that recognises, records and publishes the council's governance arrangements as defined in the CIPFA/SOLACE framework for good governance in local authorities. It reflects how the council conducts its business, both internally and in its dealings with others. Its objective is to provide assurance on the effectiveness of the corporate governance arrangements and to identify significant governance issues requiring management action.
7. The statement is produced following a review of the council's governance arrangements and system of internal control. The review consists of an evaluation of the council's governance arrangements against the best practice described in the CIPFA guidelines. This includes an assessment of the systems and processes

for:

- establishing the council's principal statutory obligations and organisational objectives and applying the six CIPFA/SOLACE core principles of good governance
- identifying the principal risks to the achievement of the council's objectives
- identifying and evaluating key controls to manage the council's principal risks
- obtaining assurances on the effectiveness of key controls.

8. Further information about the review process was set out in the report on the draft annual governance statement to this committee in July 2016. No further significant issues have been identified since this committee's consideration of the draft statement at its July meeting and the statement has also since been reviewed by Grant Thornton, the council's external auditor.

### **Community Impact Statement**

9. This report and the accompanying annual governance statement are not considered to have a direct impact on local people and communities. However, good governance arrangements are important to the delivery of local services and to the achievement of outcomes.

### **Resource implications**

10. There are no direct resource implications in this report.

### **Consultation**

11. There has been no consultation on this report.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

12. None required.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Financial Governance files	Finance and Governance, Second Floor, Tooley Street	Jo Anson 020 7525 4308

## APPENDICES

No.	Title
Appendix 1	Annual governance statement 2015-16

## AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Jo Anson, Head of Financial and Information Governance	
<b>Version</b>	Final	
<b>Dated</b>	31 August 2016	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	N/A	N/A
<b>Cabinet Member</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>	31 August 2016	