

<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 18 July 2018	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Annual Governance Statement 2017-18	
<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 2017-18, 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 2017-18 was reviewed by the corporate governance panel and its comments have been taken on board. Formal approval of the statement 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. The statement has also 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**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Financial Governance files	Finance and Governance, Second Floor, Tooley Street	Rob Woollatt 020 7525 0614

### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Annual Governance Statement 2017-18

## AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Rob Woollatt, Interim Departmental Finance Manager	
<b>Version</b>	Final	
<b>Dated</b>	10 July 2018	
<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>	10 July 2018	