



Audit Advisory Committee
26 June 2017

**Report from the Chief Finance
Officer**

For Information

Wards Affected: ALL

Draft Annual Governance Statement 2016/17

1. Summary

- 1.1. This report sets out the draft Annual Governance Statement for 2016/17 as required by the Accounts and Audit Regulations 2015 and in accordance with the CIPFA/Solace Delivering Good governance in Local Government Framework 2016.

2. Recommendations

- 2.1 The Audit Committee consider whether any changes are required to the draft Annual Governance Statement as set out in appendix 1 and approve the Annual Governance Statement for submission to the Chief Executive and Leader for signature.

3. Detail

- 3.1 The council is required to prepare an Annual Governance Statement and have it approved by the relevant Committee. The statement must be signed prior to the signing of the accounts. The statement must be signed by the Chief Executive and Leader of the Council.
- 3.2 CIPFA produced a refreshed framework document in 2016 setting out how local authorities could comply with the requirements to conduct a review and produce the Annual Governance Statement.
- 3.3 The guidance determines that the Annual Governance Statement should “provide a meaningful but brief communication regarding the review of governance that has taken place, including the role of governance structures involved....It should be high level, strategic and written in an open and readable style.”

- 3.4 The seven core governance principles, applicable from 2016/17, are as follows:
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - B. Ensuring openness and comprehensive stakeholder engagement
 - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes
 - E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
 - F. Managing risks and performance through robust internal control and strong public financial management
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability
- 3.5 Management Assurance Statements have been signed by Heads of Service and Operational and Strategic Directors have reviewed the assurances from their areas prior to signing their own statement.
- 3.6 The review of effectiveness has been discussed by the members of the Corporate Governance Group, who throughout the year have oversight of Governance related issues within the organisation and the draft Annual Governance Statement as well as potential issues have been discussed by the council's Corporate Management Team.
- 3.7 The following factors should be considered in determining significant issues:
The issue has seriously prejudiced or prevented the achievement of a principal objective:
- The need to seek additional funding or divert funding to resolve the issue.
 - The issue has had a material impact on the accounts.
 - The issue has attracted significant public interest or has damaged the reputation of the organisation.
 - The issue has resulted in formal action being taken by a Statutory Officer.
- 3.8 The final part of the statement sets out the significant governance issues relating to 2016/17 and ones from prior years with a status update. There are no significant governance issues and no prior issues remain open.

4. Financial Implications

- 4.1 None.

5. Legal Implications

- 5.1. The Accounts and Audit Regulations 2015 require the council to prepare and annual governance statement and have this reviewed by a committee.

6. Diversity Implications

6.1. None.

7. Background Papers

1. Accounts and Audit Regulations 2015
2. CIPFA, SOLACE (2016), Delivering Good Governance in Local Government Framework.
3. 2015/16 Approved Annual Governance Statement.

8. Contact Officer Details

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