



# Brent

**Audit Committee**  
30 June 2016

**Report from the Chief  
Finance Officer**

For Information

Wards Affected:  
ALL

**Report Title: Draft Annual Governance Statement 2015/16**

**1. Summary**

- 1.1. This report sets out the draft Annual Governance Statement (AGS) for 2015/16 as required by the Accounts and Audit Regulations 2015.

**2. Recommendations**

- 2.1. The Audit Committee consider whether any changes are required to the draft AGS as set out in appendix 1 and approve the AGS 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 a 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 framework document in 2007 setting out how local authorities could comply with the requirements to conduct a review and produce the AGS. In 2012, CIPFA issued an update to the framework<sup>3</sup>, together with an associated guidance note. In summary, the requirement is for the AGS to be a public statement setting out how the authority is governed and manages its operations and identifies any significant failures or weaknesses in governance.
- 3.3. The guidance determines that the AGS should be, "...high level, strategic and written in an open and readable style focused on outcomes and value for money and relate to the authority's vision for the area." The guidance also requires that the AGS sets out the key elements of the governance framework and that the review of the governance arrangements needs to make, "...appropriate reference to these elements".
- 3.4. The AGS has been discussed in detail by the council's corporate management

team.

- 3.5. The final part of the statement sets out the significant governance issues to be reported has been drafted following consideration by Strategic and Operational Directors drawn from each Department and the Corporate Management Team. Three significant issues were highlighted for 2015/16.
- 3.6. 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 the CFO or Monitoring Officer.

**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 (2007), Delivering Good Governance in Local Government.
3. CIPFA, (2012), Delivering Good Governance in Local Government: Framework (Addendum)

**8. Contact Officer Details**

Steve Tinkler, Head of Internal & Audit & Investigations Shared Service, 1<sup>st</sup> Floor, Civic Centre.  
Telephone – 07525 893458

**Conrad Hall**  
**Chief Finance Officer**