

## AUDIT COMMITTEE – SEPTEMBER 18<sup>th</sup> 2015

<b>Title of paper:</b>	<b>ANNUAL GOVERNANCE STATEMENT 2014/15</b>	
<b>Director(s)/ Corporate Director(s):</b>	Geoff Walker Director of Strategic Finance	<b>Wards affected:</b> All
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<b>Other colleagues who have provided input:</b>		
<b>Recommendation(s):</b>		
1	To approve the Annual Governance Statement 2014/15 set out at <b>Appendix 1</b> .	

### **1. REASONS FOR RECOMMENDATIONS**

This report presents the Annual Governance Statement 2014/15 (AGS). The approval of the AGS before approval of the Statement of Accounts is required by the Accounts and Audit Regulations 2015.

### **2. BACKGROUND**

- 2.1 The City Council's governance arrangements aim to ensure that it sets and meets its objectives and responsibilities in a timely, open, inclusive and honest manner. The governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled, and through which it engages with and leads the community to which it is accountable. Every council and large organisation operates within a similar framework, which brings together an underlying set of legislative requirements, good practice principles and management processes.
- 2.2 The Accounts and Audit Regulations 2015 require the council to conduct a review, at least annually, of the effectiveness of its internal control and prepare an AGS.
- 2.3 The 2007 CIPFA/SOLACE publication "Delivering Good Governance in Local Government Framework" provides the principles by which good governance should be measured. This was adopted as the Council's Local Code of Corporate Governance at the Executive Board meeting on 20 May 2008.
- 2.4 In 2012 CIPFA/SOLACE produced an updated guidance note covering the delivery of good governance in local government and how an authority's arrangements can be reflected in the AGS. The City Council has incorporated this guidance in both the evaluation of its governance arrangements and in the production of its AGS.
- 2.5 The Audit Committee has the delegated authority for the formal approval of the AGS. It is good practice to approve the AGS before, and as close to publication of, the final Statement of Accounts as possible. The timetable for production of the AGS was approved at the February 2015 meeting of this Committee. In accordance with the

timetable an interim statement was presented to the June 2015 meeting of the Committee. There are no further additions or changes made to the final statement which is attached as **Appendix 1**.

- 2.6 The AGS reflects the governance arrangements operating within the Council and its significant partners. Responsibility for its production lies with the Chief Finance Officer (CFO) / Director of Strategic Finance.
- 2.7 Assurance used in compiling the final report was derived from several sources: Corporate Directors and other key colleagues including the Monitoring Officer, Section 151 Officer and the Head of Internal Audit have reviewed the governance arrangements according to their respective responsibilities and have given assurance and commented as to its effectiveness. A similar exercise has been conducted involving the Council's significant partners and group members.
- 2.8 In accordance with the Local Code of Corporate Governance this AGS will be signed by the Leader of the Council and the Chief Executive.
- 2.9 This statement maps the policies, procedures and initiatives the Council has put in place to address the governance issues embodied in its Local Code, including:-
  - an acknowledgement of responsibility for ensuring that there is a sound system of governance;
  - an indication of the level of assurance that the systems and processes that comprise the Authority's governance arrangements can provide;
  - a brief description of the key elements of the governance framework, including those of significant groups or partners;
  - a brief description of the processes undertaken to maintain and review the governance arrangements, including some comment on the work undertaken by the Council, Executive Board, Committees with governance remits and Internal Audit;
  - an outline of the actions taken, or proposed, to deal with significant governance issues.

### **3. BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

None.

### **4. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- CIPFA/SOLACE - Delivering Good Governance in Local Government (Framework).
- CIPFA/SOLACE - Delivering Good Governance in Local Government Guidance Note - 2012.
- Accounts and Audit Regulations 2015.
- Executive Board 20 May 2008 - Local Code of Corporate Governance.
- Audit Committee Papers 27 February 2015 - Annual Governance Statement - Progress Made To Date On Issues Reported 2013/14 and Process For Producing 2014/15 Statement.
- Audit Committee Papers 26 June 2015 - Interim Annual Governance Statement 2014/15.