

AUDIT COMMITTEE – 5 July 2019

Title of paper:	INTERIM ANNUAL GOVERNANCE STATEMENT 2018/19	
Director(s)/ Corporate Director(s):	Laura Pattman Director of Strategic Finance	Wards affected: All
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Other colleagues who have provided input:		
Recommendation(s):		
1	To note the interim AGS 2018/19 set out at Appendix 1 .	

1 REASONS FOR RECOMMENDATIONS

- 1.1 This report presents the Interim Annual Governance Statement (AGS). The final AGS will be published with the City Council's Statement of Accounts.

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 specify that every financial year the Council must undertake a review of the effectiveness of its internal control and prepare an AGS.
- 2.3 The Audit Committee has the delegated authority for the formal approval of the AGS in accordance with the requirements of the Accounts and Audit Regulations 2015. The AGS should be approved by the Audit Committee before it approves the Statement of Accounts on behalf of the Council
- 2.4 The Executive Board approved and adopted the CIPFA/SOLACE Framework as the City Council's Local Code of Corporate Governance on 20th May 2008. The CIPFA/SOLACE Framework guidance for implementing good governance was updated in 2016 by CIPFA / SOLACE to reflect a revision to the international framework in 2014. The City Council has incorporated this guidance in both the evaluation of its governance arrangements and in the production of its AGS. A previous version of guidance was adopted in 2012.
- 2.5 It is good practice to approve the AGS as close to publication of the final Statement of Accounts as possible. The timetable for production of the AGS was approved at the February 2019 meeting of this Committee. This interim statement is a precursor to the final statement, which will be brought to the 19th July meeting of this Committee for approval alongside the Statement of Accounts.

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 report is derived from several sources:

- Corporate Directors and other key colleagues including the Monitoring Officer, Section 151 Officer and the Head of Internal Audit review the governance arrangements according to their respective responsibilities and give assurance and comment as to its effectiveness.
- A similar exercise is conducted with the Council's significant partners and groups.
- Information obtained from independent external reviews is also used to inform this assurance.

2.8 In accordance with the Local Code of Corporate Governance the final AGS will be signed by the Leader of the Council, and Chief Executive, and will contain the following information:

- an acknowledgement of responsibility for ensuring that there is a sound system of governance;
- an opinion on the level of assurance that the systems and processes that comprise the Authority's governance arrangements can provide;
- a brief description and assessment of the key element of the governance framework, as it applied during the financial year, including those of significant groups or partners;
- a brief description of the processes undertaken to develop, 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.

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. Items of note have been included and where relevant events or developments after the end of the financial year.

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

3.1 None.

4 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- CIPFA/SOLACE - Delivering Good Governance in Local Government Framework, 2016
- Accounts and Audit Regulations 2015
- Executive Board 20 May 2008 – Local Code of Corporate Governance
- Audit Committee Papers February 2019 – Annual Governance Statement - Progress Made To Date On Issues Reported 2017/18 And Process For Producing 2018/19 Statement