

Bath & North East Somerset Council

MEETING:	Corporate Audit Committee	
MEETING DATE:	4th February 2016	AGENDA ITEM NUMBER
TITLE:	Annual Governance Statement	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Annual Governance Review – Outline of Framework.		

1 THE ISSUE

- 1.1 The aim of the report is to update the Committee on the Annual Governance Review and allow the Committee to contribute to the process which will result in the publication of the Council's Annual Governance Statement 2015/16.

2 RECOMMENDATION

- 2.1 The Corporate Audit Committee is asked to note progress of the review and raise any issues for consideration as part of the Annual Governance Review.

3 FINANCIAL IMPLICATIONS

- 3.1 A robust review of the Council's internal control and governance framework and the subsequent implementation of action plans form an essential part of the financial management framework.

4 THE REPORT

- 4.1 In 2007/2008 the Council revised its Code of Governance and its methodology for producing an Annual Governance Statement based on the Accounts & Audit Regulations and the CIPFA / SOLACE 'Delivering Good Governance in Local Government'.

4.2 The methodology requires:-

- The involvement of all Divisional Directors
- The use of Service Specialists to review evidence with relation to :-
 - Finance
 - Strategic Performance
 - Corporate Communications
 - Information Governance
 - Human Resources
 - Health & Safety
 - Environmental Impact & Sustainability
 - Equalities & Diversity
 - Safeguarding
 - Procurement

4.3 The review of governance covers all significant corporate systems, processes and controls, spanning the whole range of Council activities, including in particular those designed to ensure:

- Council policies are implemented;
- Quality services are delivered efficiently and effectively;
- Council's values and ethical standards are met;
- Compliance with laws and regulations;
- Financial statements and other published performance information are accurate and reliable;
- Human, financial, environmental and other resources are managed efficiently and effectively.

4.4 The 2015/16 Annual Governance Review has commenced and by the middle of February it is hoped that all Divisional Directors have had the opportunity to contribute to the review and highlight any potential issues for consideration for reporting in the Annual Governance Statement.

4.5 In addition to consulting 'key' Corporate Officers and Divisional Directors, Strategic Directors (including the Chief Executive) and Cabinet will be asked for their input.

4.6 The Annual Governance Statement is a 'management' statement and as such is signed by the Chief Executive and Leader of the Council.

4.7 In deciding which issues are 'significant' Councils are required to exercise sound judgement and guidance is limited to that provided by the Chartered Institute of Financial Accounts (CIPFA) as follows:

- The issue has seriously prejudiced or prevented achievement of a principal objective;
- The issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in a significant diversion of resources from another aspect of the business;
- The issue has led to a material impact on the accounts;
- The audit committee, or equivalent, has advised that it should be considered significant for this purpose;
- The 'Head of Internal Audit' has reported on it as significant, for this purpose, in the annual opinion on the internal control environment;
- The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation;
- The issue has resulted in formal action being taken by the Chief Financial Officer and / or the Monitoring Officer.

4.8 Work on the governance review will continue following this Committee meeting. Key milestones in finalising the Annual Governance Statement are:

- 1) Report to Audit Committee.
- 2) Report to Senior Management Team.
- 3) Chief Executive & Leader of the Council sign the Statement linked to the approval of the Annual Accounts.

4.9 As indicated above the Statement will be signed at the end of September. It should be noted that a requirement of the Accounts and Audit Regulations 2015 is that the 2017/18 audited Statement of Accounts (including the annual governance statement) will be published by the earlier date of 31st July 2018. Based on this requirement we have already amended the governance review processes to complete the work within the revised timescales.

4.10 The implementation of Annual Governance Statement actions, if there are any significant issues, will be monitored by the Corporate Audit Committee.

5. RISK MANAGEMENT

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance. No significant issues to report for the Committee.

6. EQUALITIES

6.1 A proportionate equalities impact assessment has been carried out using corporate guidelines, no significant issues to report.

7. CONSULTATION

7.1 The report was consulted on with the S151 Officer for comment.

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Background papers	None
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