

Report for: Corporate Committee – 28 June 2016

Item number: 9

Title: Annual Governance Statement 2015/16

Report authorised by : Assistant Director of Corporate Governance

Lead Officer: Anne Woods, Head of Audit and Risk Management
Tel: 020 8489 5973
Email: anne.woods@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non-key decision

1. Describe the issue under consideration

1.1 To inform the Corporate Committee of the statutory requirements to produce an Annual Governance Statement (AGS) and provide a draft statement relating to the 2015/16 financial year for review and approval.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Corporate Committee review and approve the draft 2015/16 AGS.

3.2 That the Corporate Committee notes the approval timescale and processes for the draft 2015/16 AGS.

4. Reasons for decision

4.1 The Corporate Committee is responsible for approving the Council's draft AGS as part of its Terms of Reference. In order to facilitate this, and provide information on its sources of assurance from across the Council, reports have been provided on a regular basis for the Corporate Committee, culminating in the production of the draft AGS.

5. Alternative options considered

5.1 Not applicable.

6. Background information

6.1 The Council is required to produce an Annual Governance Statement (AGS) for publication with the Council's annual accounts. The AGS comments on the Council's governance framework as a whole. Corporate governance brings together an underlying set of legislative requirements, governance principles and management processes.

- 6.2 The preparation of an AGS is a statutory requirement of the Accounts and Audit Regulations 2015. These regulations require local authorities to produce an annual statement, in accordance with 'proper practice'.
- 6.3 In order to comply with the statutory reporting deadlines, the AGS for 2015/16 has to be approved by 30 June 2016. The Leader and Chief Executive will need to obtain sufficient assurance that responsibilities have been adopted at a corporate level and adequate processes exist and are effective before they sign the AGS.
- 6.4 Prior to its final approval, the Council needs to demonstrate that the AGS has been reviewed and agreed by relevant senior managers across the authority and an appropriate member body. The Statutory Officers' Group have reviewed a draft AGS and a copy of this is provided at Appendix A. This has been produced in line with the guidance issued by CIPFA in their report 'Delivering Good Governance', the 2012 guidance note; and from recommendations made by Grant Thornton in their national review of governance in local government.
- 6.5 The AGS format is linked to the Council's published Local Code of Corporate Governance; and demonstrates the processes and assurances the Council has in place to fulfil its requirements under its Local Code.
- 6.6 It is acknowledged that the draft AGS is presented for review prior to the statutory external audit of the accounts. However, any significant governance or internal control issues which arise as a result of the final accounts audit can be included in the AGS and re-submitted for officer and member consideration and approval before the closure of the statutory audit period on 30 September 2016.

7. Contribution to strategic outcomes

- 7.1 Corporate governance is an important element of the external assessment processes. The annual accounts, including the AGS, are subject to audit by the council's external auditors. While the whole of the financial statements may not be qualified, an incorrect or inaccurate AGS may be raised as a recommendation by the external auditors. Ensuring the adequacy and effectiveness of the Council's governance arrangements, which cover all Priority areas, will assist in improving services to residents and other stakeholders.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance and Procurement

There are no direct financial implications arising from this report. The work within service areas which supports and provides evidence for the AGS, is contained and managed within their revenue budgets. Service departments manage risks and governance arrangements as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.

Internal audit undertake reviews to confirm the evidence and assurance statement submitted by service areas and Directors/Assistant Directors. Additionally, the Head of Audit provides an annual report to support the

assurance processes for the AGS. This work is part of the annual internal audit plan and costs are included within Audit and Risk Management's budget.

The Chief Finance Officer confirms that the presentation of the attached draft AGS for approval by this Committee meets the Council's statutory requirement under the 2015 Accounts and Audit Regulations.

8.2 Legal

The Assistant Director, Corporate Governance has been consulted in the preparation of this report, and advises that in view of the fact that the Annual Governance Statement has been compiled in accordance with legislative requirements and industry best practice standards, there are no direct legal implications arising out of the report.

8.3 Equality

There are no direct equality implications for the Council's existing policies, priorities and strategies as a result of this report. However, ensuring that the Council has effective governance arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

This report deals with governance arrangements and their implementation across all areas of the Council, which have an impact on various parts of the community. Improvements in managing governance will therefore improve services the Council provides to all sections of the community.

9. Use of Appendices

Appendix A – Draft Annual Governance Statement 2015/16

10. Local Government (Access to Information) Act 1985

Not applicable