

ANNUAL GOVERNANCE STATEMENT 2017 - 2018

SUMMARY AND RECOMMENDATIONS:

The purpose of this report is

1. to seek approval of the Council's Annual Governance Statement 2017 – 2018; and
2. to agree to the publication of the Governance Statement alongside the Council's Statement of Accounts.

1. INTRODUCTION

- 1.1 Regulation 6(1) of the Accounts and Audit Regulations 2015, requires the Council to prepare an Annual Governance Statement.

2. BACKGROUND

- 2.1 In July 2017 the Council adopted a revised Code of Corporate Governance prepared in accordance with the CIPFA framework document entitled Delivering Good Governance in Local Government: Framework (2016 Edition).
- 2.2 Regulation 3 of the Accounts and Audit Regulations 2015 provide that the authority must ensure that it has a sound system of internal control which:
 - (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - (b) ensures that the financial and operational management of the authority is effective; and
 - (c) includes effective arrangements for the management of risk.
- 2.3 Regulation 6(1) provides that each financial year the council must:
 - (a) conduct a review of the effectiveness of the system of internal control; and
 - (b) prepare an annual governance statement.
- 2.4 The Regulations as set out require Councils to ensure that their financial management is adequate and effective and there is a sound system of

internal control. This facilitates the effective exercise of the Council's functions including the management of risk and review of performance management.

The system of internal control includes more than just the financial aspects of the Council's business. It includes matters such as the establishment and monitoring of objectives, the arrangements for decision-making and ensuring compliance with established policies.

- 2.4 The Annual Governance Statement should be approved by this Committee, and published alongside the Statement of Accounts by 31st July 2018.

3. REVIEW OF GOVERNANCE ISSUES FROM 2016/17

- 3.1 The Annual Governance Statement for 2016/17 identified the following governance issues and major risks for the Council.

- 3.2 Risk Management- a review and update of the risk management policy, the Corporate Risks Register and adoption of an Asset management Strategy were to be undertaken. Paragraph 5.8.7 of the AGS reports that significant work has been undertaken during the year to develop a revised corporate risk register and improve reporting on risk to both the members and management. The Asset Management Strategy is being prepared in conjunction with the Council's new Capital Strategy.

- 3.3 EU General Data Protection Regulation- significant work has been undertaken throughout the Council in preparation for implementation from the 25th May 2018. This will continue to be a governance issue in the current year whilst the changes are completed and bed in.

- 3.4 Risk of non-delivery of key projects – This is addressed at paragraph 5.7.7 and 5.3.1 of the AGS by ensuring Governance arrangements have been strengthened for all major projects via an improved traffic light system of highlight reporting and clear accountability .

4 CONTENT OF THE ANNUAL GOVERNANCE STATEMENT

- 4.1 The Statement is required to include notification of any significant internal control issues and an action plan to address them. No significant issues have been identified. A number of actions for the current year are identified in section 6 of the AGS and will be addressed during the year. Some of these actions were started during this year but now have further actions identified to complete the various areas of work.

- 4.2 The Leader of the Council and the Chief Executive are required to sign the Statement.

BACKGROUND DOCUMENTS: Published documents

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