

## BABERGH DISTRICT COUNCIL AND MID SUFFOLK DISTRICT COUNCIL

<b>From: Corporate Manager – Internal Audit</b>	<b>Report Number: JAC105</b>
<b>To: Joint Audit and Standards Committee</b>	<b>Date of meeting: 15 May 2017</b>

### JOINT ANNUAL GOVERNANCE STATEMENT 2016/17

#### 1. Purpose of Report

- 1.1 The purpose of this report is to enable the Committee to be satisfied that the Joint Annual Governance Statement (AGS), to accompany each Council's financial accounts 2016/17, properly reflects the risk environment and any actions required to improve it.

#### 2. Recommendations

- 2.1 That Councillors satisfy themselves that the Joint Annual Governance Statement (AGS) 2016/17 (Appendix A to this report) properly reflects the governance environment and any actions taken to improve it.
- 2.2 That subject to 2.1 above, the AGS be endorsed subject to the Temporary Assistant Director – Law and Governance and Monitoring Officer being authorised to make any minor amendments and corrections prior to the Statement being finalised for publication.
- 2.3 Further that approval of any significant amendments identified by the Temporary Assistant Director - Law and Governance and Monitoring Officer be delegated to her in consultation with the Chairs of the Committee.
- 2.4 That it be noted that the finalised AGS will be signed by the Leader of each Council on behalf of the respective Council together with the Chief Executive on behalf of both Councils.

#### 3. Key Information

- 3.1 The preparation and publication of an AGS is necessary to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit Regulations 2015.
- 3.2 Governance is about how each Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems, processes, cultures and values, by which the Council is directed and controlled and through which it is accountable to, engages with and, where appropriate, leads communities.
- 3.3 This committee is responsible for overseeing each Council's work around corporate governance.

- 3.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) recently consulted on a revised Framework for delivering good governance in Local Government, which will be applied against the 2016/17 Statement. The revised Framework builds on the International Framework 2014 and places sustainable economic, societal and environment outcomes as a key focus for governance processes and structures. In addition, the core principles and sub principles from the Framework have been adapted and translated into a series of expected behaviours and outcomes which demonstrate good governance in practice.
- 3.5 The AGS is required to be published to accompany the published Statement of Accounts.
- 3.6 The AGS has been prepared in consultation with key senior officers to reflect the operations of each Council during 2016/17.
- 3.7 The Annual Governance Statement provides an assurance of the effectiveness of each Council's system on internal control. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework. There have been no governance issues identified during the year that are considered significant in relation to each Council's overall governance framework.
- 3.8 We are already addressing the key governance risks and challenges set out in this Annual Governance Statement and will continue to do so over the coming year to further strengthen our governance arrangements. We are satisfied that these steps will continue to address the need for any improvements that are required and that arrangements are in place to monitor the issues raised as part of each Council's annual review.

#### **4. Financial Implications**

- 4.1 There are no direct financial implications as a result of this report.

#### **5. Legal Implications**

- 5.1 There are no immediate legal implications arising from this report.

#### **6. Risk Management**

- 6.1 A strong internal control environment contributes to the overall effective management of each Council and will help minimise the risks of each Council failing to achieve its ambitions and priorities, and service improvements.

Risk Description	Likelihood	Impact	Mitigation Measures
Failure to regularly monitor and improve the Council's arrangements could weaken corporate governance, have an impact on service delivery and lead to adverse comments from the External Auditor.	Highly Unlikely(1)	Bad (3)	Internal and External Audit help ensure a systemic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

## **7. Consultations**

7.1 The AGS was prepared following input from key senior officers.

## **8. Equality Analysis**

8.1 Equality and diversity implications have been considered within the AGS arrangements.

## **9. Shared Service / Partnership Implications**

9.1 Through the integration process Babergh and Mid Suffolk have produced a joint AGS while still recognising the separate sovereign nature of the Councils.

## **10. Links to Joint Strategic Plan**

10.1 Governance touches all aspects of the Councils' activities. To ensure the successful delivery of the Joint Strategic Plan it is essential that the principles of good governance are applied consistently across the Councils.

## **11. Appendices**

Title	Location
A Joint Annual Governance Statement 2016/17	Attached

## **12. Background Documents**

12.1 CIPFA/SOLACE framework – 'Delivering good Governance in Local Government 2016'

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