

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	22 June 2016
Subject:	Annual Governance Statement 2015/16
Report of:	Corporate Governance Group
Corporate Lead:	Sara Freckleton, Borough Solicitor
Lead Member:	Councillor R J E Vines, Leader of the Council
Number of Appendices:	1

Executive Summary:

Every Council must ensure that its business is conducted within the law and proper standards, public money is safeguarded and used economically, efficiently and effectively. Governance of the Council is reviewed regularly by the Corporate Governance Group, and is formally assessed through an Annual Governance Statement by that Group. The Annual Governance Statement (AGS) is produced in accordance with CIPFA/SOLACE guidance.

Recommendation:

To APPROVE the Annual Governance Statement 2015/16.

Reasons for Recommendation:

The Accounts and Audit (England) Regulations 2015, part 2 – Internal Control (para 6 (1)) requires that a relevant authority must, each financial year prepare an Annual Governance Statement.

Resource Implications:

None arising directly from the report.

Legal Implications:

Contained in report.

Risk Management Implications:

If the Council does not produce an Annual Governance Statement then it is not compliant with legislation.

Performance Management Follow-up:

Significant governance issues will be subject to review throughout the year by the Corporate Governance Group and by the Audit Committee.

Implications for Biodiversity:

1.0 INTRODUCTION/BACKGROUND

- 1.1 Every Council has to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk. The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The Annual Governance Statement explains how the Council has complied with the code and also meets the requirements of The Accounts and Audit (England) Regulations 2015, part 2 – Internal Control (para 6 (1)) requires that a relevant authority must, each financial year prepare an Annual Governance Statement.
- 1.3 As a matter of best practice, the Annual Governance Statement should normally be approved at the same time as, and certainly no later than, the Statement of Accounts.
- 1.4 To ensure the framework remains fit for purpose, the CIPFA/SOLACE Joint Working Group reviewed the framework and in December 2012 issued an addendum. The supplement to the framework includes an example Governance Statement which has been updated to give an increased emphasis on strategic approach. The Statement should provide a brief communication regarding the review of governance that has taken place and the role of the governance structures involved. It should be high level, strategic and written in an open and readable style.
- 1.5 The Good Governance Framework is based on six principles of corporate governance which are set out below and which are underpinned by supporting principles and requirements.
- (a) defines and updates a vision for the area;
 - (b) enables Members and Officers to work together to achieve a common purpose;
 - (c) demonstrates good governance by upholding high standards of conduct and behaviour;
 - (d) manages risk and takes informed and transparent decisions, which are subject to effective scrutiny;
 - (e) develops the capacity and capability of members and officers to be effective; and
 - (f) engages with stakeholders to promote public accountability.
- 1.6 The addendum identifies the key elements of the systems and processes that comprise an authority's governance arrangements and these support the delivery of the six principles above. The Council's 2015/16 Annual Governance Statement has been

produced in accordance with the requirements of the addendum.

2.0 REVIEWING THE GOVERNANCE ARRANGEMENTS

2.1 The requirements of the CIPFA/SOLACE Framework have been reviewed by the Corporate Governance Group. Evidence to support the Council's compliance with the Framework has been documented and areas for improvement in processes and procedures have been identified. This has enabled the production of the draft Annual Governance Statement for 2015/16 which is attached at Appendix 1. The significant areas for improvement are reflected in the Annual Governance Statement and the proposed action and timescale for these to be addressed has also been developed.

2.2 The documents, procedures and processes which have informed the Annual Governance Statement are summarised in diagrammatic within the statement itself. The Statement will be subject to review by the Council's external auditors to give assurance that it has been produced in compliance with guidance.

3.0 TEWKESBURY BOROUGH COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2015/16

3.1 The draft Annual Governance Statement for 2015/16 is attached at Appendix 1 and has been prepared in line with the CIPFA /SOLACE guidance.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 Corporate Governance Group and the Corporate Leadership Team.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Tewkesbury Borough Council's Local Code of Corporate Governance.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 None.

8.0 RESOURCE IMPLICATIONS (Human/Property)

8.1 None arising directly from this report.

9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

9.1 None.

10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

10.1 None.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 None.

Background Papers: Delivering Good Governance in Local Government CIPFA / SOLACE
2007

Tewkesbury Borough Council's Local Code of Corporate Governance

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Appendices: Appendix 1 – Draft Annual Governance Statement 2015/16