

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT AND
STANDARDS COMMITTEE**

Date of Meeting: 17 July 2018

Subject: Annual Governance Statement 2017/18

Responsible Officer: Dawn Calvert, Director of Finance

Exempt: No

Wards affected: All

Enclosures: Appendix 1 – Annual Governance Statement 2017/18
Appendix 2 – Evidence Table

Section 1 – Summary and Recommendations

This report sets out the Council's Annual Governance Statement (AGS) for 2017/18.

Recommendations:

The GARMS Committee is requested to:

- Approve the Annual Governance Statement for 2017/18

Section 2 – Report

Introduction

- 2.1 Harrow Council is responsible for ensuring 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 section 3 of 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.
- 2.2 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, which includes arrangements for the management of risk.
- 2.3 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires *‘an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England)’*.
- 2.4 Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, requires that *“for a local authority in England, the statement is an Annual Governance Statement”*.
- 2.5 The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government: Framework (2016) would fulfil the statutory requirements across the United Kingdom for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts.
- 2.6 In England the Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be *“prepared in accordance with proper practices in relation to accounts”* and must be *“approved in advance of the relevant authority approving the statement of accounts. Therefore a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government: Framework (2016) and this section of the Code”*.
- 2.7 The CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* was updated in 2016 and this Framework applies to annual governance statements prepared for the financial year 2016/17 onwards. The overall aim of the Framework *‘is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities’*.

- 2.8 The Annual Governance Statement explains how the Council has complied with the framework and meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of a statement of internal control (Annual Governance Statement).

Annual Governance Statement

- 2.9 Each year the Council undertakes a robust review of its governance arrangements to meet the requirements of the Framework and this year the annual review process consisted of an evidenced based self-assessment undertaken by members of the Corporate Governance Working Group co-ordinated and reviewed by Internal Audit (Appendix 2), and a management assurance exercise completed by each Directorate.
- 2.10 Internal Audit co-ordinates and reviews the evidence/assurance provided as part of the process and this is used as a basis for the preparation of the AGS which is reviewed and agreed by the Corporate Governance Group.
- 2.12 The Annual Governance Statement (Appendix 1) is prepared on behalf of the Leader of the Council and the Chief Executive and will be signed-off by them both by the end of July deadline. It was made available to members in draft as part of the draft accounts and at the members training session on 12th June. It is included with the draft annual accounts to meet the statutory requirement of Regulation 6 of the Accounts and Audit Regulations 2015 which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control”
- 2.13 Only a few changes have been made to the draft and the committees’ attention is specifically drawn to sections 3.4 Communication & Consultation, 3.20 Joint Working (final paragraph) and 4.00 Level of Assurance (final paragraph), all of which have been updated since the draft.
- 2.14 Two significant governance gaps have been identified for 2017/18 and the detail of the gap and the agreed action to close the gap is reported in the Annual Governance Statement.

Financial Implications

- 2.15 No financial implications.

Risk Management Implications

- 2.16 None

Equalities implications

2.17 None

Council Priorities

2.18 The annual review of governance reviews arrangements in place that impact on the each of the Council's priorities and values.:

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 04/07/18		
Name: David Hodge	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 05/07/18		

Ward Councillors notified:	NO
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Section 4 - Contact Details and Background Papers

Contact: Susan Dixon, Head of Internal Audit & Corporate Anti-Fraud, 02084241420

Background Papers: None

If appropriate, does the report include the following considerations? N/A

1.	Consultation	YES / NO
2.	Priorities	YES / NO