

## **ITEM 11                      Annual Governance Statement 2015/16**

Report of the Economic Portfolio Holder

### **Recommended:**

**That the Annual Governance Statement for 2015/16 be approved and that the Leader and Chief Executive be authorised to sign it on behalf of the Council.**

### **Recommendation to Council**

#### **SUMMARY:**

- The purpose of this report is to seek approval for the Annual Governance Statement, which accompanies the 2015/16 Statement of Accounts.
- Best practice requires that the approval of this Statement is considered separately from the Statement of Accounts, although both are published together in September each year.

## **1            Introduction**

- 1.1    Test Valley Borough 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 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. 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            Background**

- 2.1    As part of its responsibilities outlined above, the Council is also required to produce an Annual Governance Statement and publish this Statement alongside its annual accounts. The format of the Statement is based on guidance issued in 2007 by the Chartered Institute of Public Finance and Accountancy (CIPFA) in conjunction with the Society of Local Authority Chief Executives (SOLACE) titled 'Delivering Good Governance in Local Government: A Framework'.

- 2.2 The Statement is attached as an Appendix to this report and covers the following areas:
- (a) Scope of Responsibility
  - (b) The Purpose of the Governance Framework
  - (c) The Governance Framework in place at the Council
  - (d) A review of its effectiveness
  - (e) A separate annex of Significant Governance Issues that need to be addressed during the year.

### **3 Corporate Objectives and Priorities**

- 3.1 In addition to its legal responsibilities, approval of an Annual Governance Statement is considered to be best practice and will ensure that proper arrangements are in place to deliver the aims of the Council's Corporate Plan 2015-2019.

### **4 Consultations/Communications**

- 4.1 The Chief Executive, Directors and all Heads of Service have been asked to review the Statement and consider whether there are any areas which they feel are appropriate for disclosure. All comments received have been incorporated into the Statement. The Audit Panel has also reviewed the Statement and action plan at its meeting on 13<sup>th</sup> June.

### **5 Options**

- 5.1 The Council has a statutory duty to approve an Annual Governance Statement. In view of this, options are limited.

### **6 Risk Management**

- 6.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology and has identified three significant governance issues as detailed in the annex to the Statement. The Required Actions proposed to mitigate these risks include timescales and lead officers responsible for completing them.

### **7 Resource Implications**

- 7.1 There are no direct resource implications in approving the Annual Governance Statement. The publication costs can be met within existing budgets.

### **8 Legal Implications**

- 8.1 The Council is required by the Accounts and Audit (England) Regulations 2015 to approve, and subsequently publish, the Annual Governance Statement with the Statement of Accounts.

## 9 Equality Issues

- 9.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EQIA has not been carried out.

## 10 Conclusion

- 10.1 The Annual Governance Statement is part of the framework for delivering good governance in local authorities. The Statement is a high profile document signed by the Leader of the Council and the Chief Executive and is published with the Statement of Accounts each year to demonstrate a commitment to improving corporate governance.

### Background Papers (Local Government Act 1972 Section 100D)

'Delivering Good Governance in Local Government: A Framework' – CIPFA /SOLACE Publication 2007

'Accounts and Audit (England) Regulations 2015' – [www.legislation.gov.uk](http://www.legislation.gov.uk)

'Delivering Good Governance in Local Government: A Framework' – CIPFA /SOLACE Addendum Publication 2012

### Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	1	File Ref:	
(Portfolio: Economic) Councillor P Giddings			
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Report to:	Cabinet	Date:	22 June, 2016