North Somerset Council

REPORT TO THE AUDIT COMMITTEE

DATE OF MEETING: 30TH MARCH 2017

SUBJECT OF REPORT: ANNUAL GOVERNANCE REVIEW 2016/17

OFFICER PRESENTING: JEFF WRING - HEAD OF AUDIT WEST

RECOMMENDATION

The Audit Committee notes the report and process for the Annual Governance Review

1. SUMMARY OF REPORT

This report provides a brief overview of the process for completion of the Annual Governance Statement for 2016/17.

2. POLICY

- 2.1 The council adopted a Local Code of Corporate Governance in September 2013, which was consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.
- 2.2 The Annual Governance Statement explains how North Somerset Council has complied with the Local Code of Corporate Governance and also meets the requirements of:
 - The Accounts and Audit (England) Regulations 2015, specifically Regulation 4(2) in respect of the annual review of the effectiveness of its system of internal control and Regulation 4(4) in respect of the preparation and publication of an Annual Governance Statement.

3. DETAILS

Process for 2016/17 Statement

An overview of the process for the compilation and approval of the Annual Governance Statement for 2016/17 is attached at Appendix A. This is similar to the process adopted in previous years.

The process diagram indicates the major steps in the process for compiling the statement and the outcome will be a final Annual Governance Statement ratified by Full Council following review by the Audit Committee.

CIPFA/SOLACE guidance has been updated during the 2016/17 year and its key principles have been taken account of within this years review. A revised local code of corporate governance will be prepared for consideration at the next Audit Committee for recommendation to Council.

As reported last year there was one significant issue identified in the 2015/16 statement related to the severe financial pressures being experienced nationally in local government especially in the area of Adult Social Care.

This pressure has continued unabated in 2016/17 and as Members are aware the cost pressures around Social Care have become a significant issue at a national government level. It is likely therefore that the same issue will remain on the statement especially as the Council's financial position has been under strain through the year and the S151 officer will update the Committee at the meeting on the latest position.

4. CONSULTATION

This report describes the Annual Governance Review process which members are invited to comment upon.

5. FINANCIAL IMPLICATIONS

The Annual Governance Statement describes how the council complies with its Local Code of Governance which incorporates all the council's business and hence budget.

6. RISK MANAGEMENT

Failure to compile an Annual Governance Statement would result in non-compliance with statutory legislation and leave the Council open to criticism by External Audit and external stakeholders.

7. EQUALITY IMPLICATIONS

None.

8. CORPORATE IMPLICATIONS

The production of an Annual Governance Statement is an explicit statutory requirement of the Accounts and Audit (England) Regulations.

The completed Annual Governance Statement is reviewed by the Council's External Auditor.

9. OPTIONS CONSIDERED

None.

AUTHOR

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BACKGROUND PAPERS

Council's Local Code of Corporate Governance

APPENDIX A

Audit and Assurance Services

- Head of Audit and Assurance Opinion
- Annual Audit Plan
- Corporate Risk Management
- Counter fraud activity and investigations
- Business Continuity
- Information Governance



- Corporate and Directorate
 Management Teams
- Financial Strategy Board
- Annual Budget and Outturn
- Medium term financial plans
- Contract
 Management

Performance management

- Corporate Plan
- Performance Management framework and reports
- Internal and External Reviews
- KPI & data quality
- Benchmarking
- Programme and Project reports

External Review/ Assurance

- External Audit plans, letters and reports
- Inspection reports
- Peer reviews
- Commissioned reviews
- Ombudsman

Corporate Assurance and other sources

- Complaints
- Scrutiny process
- Audit Committee
- Statutory Officers
- Legal Services
- The Executive
- Equality Impact Assessments
- Health & Safety
- Codes of Conduct



Set out the arrangements for compilation and approval of the Annual Governance Statement 2016/17

Audit Committe March 2017





Audit Committee March 2017



Audit & Assurance Function & Statutory Officers

Continuous within their work programmes up to June 2017

Draft Annual Governance Statement 2016/17

Review by Statutory Officers & CMT

Up to June 2017



Audit Committee & Council September 2017

Certification by Chief Executive Officer and Leader of Council

September 2017