

Gloucester City Council

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| Meeting: | Audit and Governance Committee | Date: | 20 th June 2016 |
| Subject: | Annual Governance Statement 2015/16 | | |
| Report Of: | Head of Finance | | |
| Wards Affected: | All | | |
| Key Decision: | No | Budget/Policy Framework: | No |
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| Appendices: | 1: Draft Annual Governance Statement 2015/16 | | |

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To summarise Gloucester City Council's Corporate Governance arrangements in place during 2015/16, via the publication of an Annual Governance Statement which is in accordance with the requirements of the Local Government Act 1999, the Accounts and Audit Regulations 2015, and the CIPFA/SOLACE guidance – Delivering Good Governance in Local Government 2007 (Addendum 2012).

2.0 Recommendations

- 2.1 Audit and Governance Committee is asked to **RESOLVE** that the Annual Governance Statement 2015/16 (including the actions planned by the Council to further enhance good governance arrangements), as set out in **Appendix 1**, be approved.

3.0 Background and Key Issues

- 3.1 Governance comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 3.2 The Council is required by the Accounts and Audit Regulations 2015 to publish an Annual Governance Statement, in accordance with '*proper practices*' in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance. This approach includes how the Council has monitored the effectiveness of arrangements in year and on any planned changes to governance arrangements in the coming year.
- 3.3 The Annual Governance Statement is signed by the Leader and Managing Director (Head of Paid Service) and must accompany the Annual Statement of Accounts.
- 3.4 The 2015/16 Annual Governance Statement is based on best practice guidance. It has been prepared following a review of compliance with the Council's Local Code

of Corporate Governance and input from other assurance mechanisms (including Assurance Statements completed by the Gloucester Management Team).

4.0 Asset Based Community Development (ABCD) Considerations

- 4.1 There are no ABCD implications as a result of the recommendations made in this report.

5.0 Alternative Options Considered

- 5.1 There are no alternative options that are relevant to this matter.

6.0 Reasons for Recommendations

- 6.1 The Council is required to produce an Annual Governance Statement under the Accounts and Audit Regulations 2015. Through the Council's Constitution, the Audit and Governance Committee has responsibility for review and approval of the Statement.

7.0 Future Work and Conclusions

7.1 2015/16 Improvement Plan

- 7.1.1 The Annual Governance Statement's Appendix 2 contains the Council's Improvement Plan – 2015/16 Governance Improvement Actions. The Council will continually monitor progress against the Improvement Plan within 2016/17. Results will be summarised and reported to Audit and Governance Committee through the Council Annual Governance Statement 2016/17.

7.2 New guidance for 2016/17

- 7.2.1 Action identified within the Annual Governance Statement Appendix 2. The Council currently prepares and publishes an Annual Governance Statement in accordance with the CIPFA Delivering Good Governance in Local Government 2007 (Addendum 2012). This guidance/framework has been refreshed and defines the principles that should underpin the governance arrangements of the Council and applies to the annual governance statements prepared for the financial year 2016/17 onwards.
- 7.2.2 Review of the Council's governance arrangements will be completed against the new guidance (CIPFA Delivering Good Governance in Local Government: Framework (2016 Edition)) to ensure that the Council's governance structures comply with the core and sub principles contained within the revised framework. The review will be completed by 31st March 2017 and will be reflected within the Council's Annual Governance Statement 2016/17.

8.0 Financial Implications

- 8.1 There are no additional financial implications arising out of this report.

(Financial Services have been consulted in the preparation this report.)

9.0 Legal Implications

9.1 No legal implications beyond those set out in the report.

(One Legal have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

10.1 Failure to deliver effective governance will impact on the ability of the Council to achieve its vision, priorities and objectives. It is important to recognise that the purpose of the Annual Governance Statement is not just compliance, but also to provide an accurate representation of the arrangements in place during the year and to highlight those areas where there is opportunity for improvement.

11.0 People Impact Assessment (PIA):

11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

Community Safety

12.1 There are no community safety implications arising out of this report.

Sustainability

12.2 There are no sustainability implications arising out of this report.

Staffing & Trade Union

12.3 There are no staffing or trade union implications arising out of this report.

Background Documents: None. Reference to supporting reports & documentation is made within the draft Annual Governance Statement 2015/16 (**Appendix 1**).