

**AGENDA ITEM NO.**

**ARUN DISTRICT COUNCIL**

**REPORT TO AND DECISION OF AUDIT & GOVERNANCE  
COMMITTEE  
ON 30 JULY 2019**

**PART A : REPORT**

**SUBJECT:** Annual Governance Statement 2018/19 and Code of Corporate Governance 2019/20

**REPORT AUTHOR:** Stephen Pearse, Internal Audit Manager

**DATE:** July 2019

**EXTN:** 37561

**PORTFOLIO AREA:** Corporate Support

**EXECUTIVE SUMMARY:**

To present the Annual Governance Statement for 2018/19 for the Committee's approval, supported by the updated local Code of Corporate Governance

**RECOMMENDATIONS:**

Members of the Audit & Governance Committee are requested to:-

- endorse the minor change to the local Code of Corporate Governance
- approve the Council's Annual Governance Statement for 2018/19

**1. BACKGROUND:**

**1.1 BACKGROUND**

The Council is required by the Accounts & Audit Regulations 2015 to produce and approve an Annual Governance Statement, to accompany the annual accounting statements.

The revised Regulations require that the Annual Accounts (from 2017/18-on) are completed and signed / dated by the responsible financial officer by 31<sup>st</sup> May, with formal approval of the audited Annual Accounts, by the Council or its designated body (in this case, the Audit & Governance Committee), by 31<sup>st</sup> July.

The Annual Governance Statement (AGS) is based upon CIPFA best practice to meet the requirements of the Regulations. As reported to the Committee in 2017, CIPFA issued its new Delivering Good Governance in Local Government: Framework and associated Guidance Note in 2016 and this Framework now forms the basis for AGS reporting and for the Council's local Code of Corporate Governance.

The AGS document has been prepared for, and considered by, the Council's Governance & Risk Group (made up of representatives from Service areas and Finance, including Internal Audit and the Risk Manager). It is based upon the Council's local Code of Corporate Governance and other supporting documentation, including the Council's Strategic Risk Register and the annual audit opinion provided by the Internal Audit Manager.

The updated Code of Corporate Governance document has also been considered by the Governance & Risk Group. Assessment by Internal Audit of the Council's compliance against this Code forms part of the assurance process for the preparation of the Annual Governance Statement. The updated local Code is required to be published on the Council's website.

In preparing the current document previously agreed wording has been used from the last AGS and additional wording / updates have been applied to reflect relevant changes and progress made by the Council in 2018/19. Sections where changes have been made are highlighted (shaded) in the document.

The local Code of Corporate Governance has only one minor change proposed.

The Annual Governance Statement is provided for the Committee's approval. (The document is also signed by the Chief Executive Officer and the Leader of the Council and the final version will accompany the Annual Accounts of the Council which will be reviewed and approved on 30<sup>th</sup> July).

**1.2 POINTS TO NOTE**

As it has been difficult to fully align meetings of the Committee with the revised accounting timescales, the draft version of the document has not been presented to the Committee before 31<sup>st</sup> May.

**2. PROPOSAL(S):**

It is proposed that the Committee endorses the minor change to the local Code of Corporate Governance and approves the Council's Annual Governance Statement for 2018/19

**3. OPTIONS:**

To endorse the minor change to the local Code of Corporate Governance and approve the Council's Annual Governance Statement for 2018/19, or not

**4. CONSULTATION:**

In preparing the AGS, input was requested from the management of various service areas and the document was considered and agreed by the Council's Governance & Risk Group

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓

Other groups/persons (please specify)		✓
<b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</b>	<b>YES</b>	<b>NO</b>
Financial		✓
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓
<b>6. IMPLICATIONS:</b>		

**7. REASON FOR THE DECISION:**

The Committee endorses the minor change to the local Code of Corporate Governance and approves the Council's Annual Governance Statement for 2018/19

**8. BACKGROUND PAPERS:**

N/A