

Report To: **OVERVIEW (AUDIT) PANEL**

Date: 31 July 2017

Reporting Officer: Ian Duncan – Assistant Director (Finance)
Wendy Poole – Head of Risk Management and Audit Services

Subject: **ANNUAL GOVERNANCE STATEMENT 2016/17**

Report Summary: To present the Annual Governance Statement for 2016/17 to Members for approval (**Appendix 1**).

Recommendations: To approve the Annual Governance Statement for 2016/17, ahead of it being signed by the Executive Leader and Chief Executive.

Links to Community Strategy: Demonstrates proper Corporate Governance.

Policy Implications: The Governance Statement demonstrates proper compliance with the Accounts and Audit Regulations 2015.

Financial Implications:
(Authorised by the Section 151 Officer) Sound corporate governance and proper systems of internal control are essential for the long-term financial health and reputation of the Council.

Legal Implications:
(Authorised by the Borough Solicitor) The production of the statement meets the requirements of the Accounts and Audit Regulations 2015.

Risk Management: The statement provides assurance that the Council has a sound system of corporate governance in place. It is considered to be an important public expression of how the Council directs and controls its functions and relates to its community.

Access to Information: The background papers can be obtained from the author of the report, Wendy Poole, Head of Risk Management and Audit Services by:-

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1. INTRODUCTION

- 1.1 Corporate Governance is the system by which the Council directs and controls its functions and relates to its community. This is the means by which sound and ethical practice can be assured and unacceptable practice identified and eradicated. Historically there has been a general recognition that all local authorities should be seen to meet the highest standards and governance arrangements that should not only be sound but need to be seen to be sound by the public.
- 1.2 The issues faced by local authorities in recent years reflecting social, economic, and legislative change have led to new, diverse ways of working as opposed to traditional roles. The common theme that continues to run through Government initiatives is the need for local authorities to review the various systems and processes they have in place for managing both their internal affairs and their relationships with their expanding number of key stakeholders. Together these systems comprise corporate governance.

2. ANNUAL GOVERNANCE STATEMENT

- 2.1 The preparation and publication of an Annual Governance Statement is necessary to meet the requirements set out in Regulation 6 of the Accounts and Audit Regulations 2015. It requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and “following the review, the body must approve an annual governance statement prepared in accordance with proper practices in relation to internal control”.
- 2.2 The Annual Governance Statement is based on:-
- Executive Director Assurance Self-Assessments and signed Assurance Statements;
 - Head of Audit’s Annual Report;
 - Review against the Code of Corporate Governance;
 - Review of System of Internal Audit;
 - Annual Audit Letter;
 - Review of the Role of the Chief Financial Officer;
 - Review of the Role of the Head of Internal Audit;
 - Corporate Plan; and
 - Statutory Inspections.
- 2.3 The Annual Governance Statement covers both Tameside MBC and the Greater Manchester Pension Fund.
- 2.4 The Draft Annual Governance Statement was presented to the Senior Management Team for challenge and comments on 2 May 2017 and then presented to the Audit Panel on 30 May 2017. Consultation with Executive Members was undertaken during June 2017. All comments received were incorporated into the document.
- 2.5 The Draft Annual Governance Statement was then certified by the Assistant Director (Finance), before it was submitted to External Audit for review. Comments received from External Audit have been incorporated and the final version is attached at **Appendix 1** for approval.

- 2.6 Once approved by the Panel it will be signed by the Executive Leader and Chief Executive on the same day as the Statement of Accounts are signed off.
- 2.7 The Annual Governance Statement covers the governance framework in place for 2016/17 and up to the date the accounts are signed off by External Audit.

3. RECOMMENDATION

- 3.1 Members are requested to approve the Annual Governance Statement for 2016/17 ahead of it being signed by the Executive Leader and Chief Executive.