

# CHESHIRE EAST COUNCIL

## REPORT TO: Audit and Governance Committee

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**Date of meeting:** 1st June 2017  
**Report of:** Corporate Assurance Group  
**Title:** Draft Annual Governance Statement (AGS) 2016/17  
**Portfolio Holder:** Councillor Peter Groves

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### **1.0 Report Summary**

- 1.1 Each year, Cheshire East Council produces an Annual Governance Statement that explains how it makes decisions, manages its resources and promotes values and high standards of conduct and behaviour. It reflects activity over the 2016/17 financial year, and by the final version, will include activity up to the date of the approval of the Council's Statement of Accounts.
- 1.2 The purpose of the report is for this Committee to consider the draft Annual Governance Statement 2016/17. The final version of the AGS will be brought to the Committee for consideration and approval by the end of September 2017.
- 1.3 The draft Annual Governance Statement sets out:
- how the Council complies with its own governance arrangements;
  - how the Council monitors the effectiveness of the governance arrangements; and
  - any improvements or changes in governance arrangements proposed during the forthcoming year.

### **2.0 Recommendation**

- 2.1 The Committee is asked to:
- (i) consider and comment upon the draft Annual Governance Statement 2016/17 at Appendix A; and
  - (ii) note that the final statement will be considered by this Committee by the end of September 2017, prior to its approval and publication on the Council's website.

### **3.0 Reasons for Recommendation**

- 3.1 In accordance with the Accounts and Audit Regulations (England) 2015, the final Annual Governance Statement should be approved by Members

of the Council meeting as a whole, or by a Committee by the end of September 2017. The Audit and Governance Committee has delegated authority to approve the Annual Governance Statement.

- 3.2 In the interests of best practice and early engagement, this draft of the 2016/17 Annual Governance Statement is brought to the Committee for information and to receive comment from Members.

#### **4.0 Wards Affected**

- 4.1 All wards.

#### **5.0 Local Wards Affected**

- 5.1 Not applicable.

#### **6.0 Policy Implications**

- 6.1 None.

#### **7.0 Financial Implications**

- 7.1 No specific financial implications. The production of the AGS 2016/17 aligns with the production of the Annual Accounts and will be published alongside the audited accounts.

#### **8.0 Legal Implications**

- 8.1 The production of the Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015, which sets out the timescales by which they must be published.
- 8.2 The preparation and publication of the draft Annual Governance Statement has been carried out in accordance with the guidance produced by the Chartered Institute of Public Finance (CIPFA): "Delivering Good Governance in Local Government (2016)". The Council's Code of Corporate Governance has also been reviewed and updated in light of the guidance, and was approved by Cabinet in January 2017. It is against the updated Code of Corporate Governance that the annual review has been carried out.

#### **9.0 Risk Assessment**

- 9.1 The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit (England) Regulations 2015. Failure to do so could result in non-compliance with the requirements of the Regulations.

9.2 The draft Annual Governance Statement identifies any significant governance risks and the action plan details the mitigation to those risks.

## **10.0 Background**

10.1 There is a strong correlation between effective governance and effective service delivery. Whilst the statement by its nature is only signed off once a year, the process of review is continuous, so as to give assurance on the effectiveness on the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority.

10.2 The Corporate Assurance Group is responsible for drafting the AGS and the draft has also been considered by the Corporate Leadership Team. The review of governance arrangements in place for 2016/17 has been informed by the work of Internal Audit, Senior Managers, comments made by the External Auditors and other review agencies/inspectors. Further detail on the sources of assurance is provided in the draft Statement.

10.3 In order that Members may discharge their duties, the Committee received reports, information and training throughout the period under review;

- Progress updates on items included in the Annual Governance Statement 2015/16.
- Internal Audit Annual Report for 2016/17, which includes the Annual Audit Opinion.
- Interim update reports from Internal Audit and Risk Management
- Member Officer Group on Corporate Governance and the AGS.

A workshop for Members to examine the draft AGS and supporting documentation will be offered prior to the final AGS being considered by the Committee.

10.4 Once approved, the AGS will be signed by the Leader and the Chief Executive and the AGS will then be published on the Council's website, along with the Statement of Accounts by the 30 September deadline so that the public, members, officers, partners and other stakeholders can view. Updates on progress against issues raised in the 2016/17 Statement will be brought to the Committee during 2017/18.

## **11.0 Access to information**

11.1 The background papers relating to this report can be inspected by contacting the report writer:

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