

## **2016/17 Annual Governance Statement**

*Executive Portfolio Holder:* Ric Pallister – Leader of the Council  
*Chief Executive* Alex Parmley  
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### **Purpose of the Report**

This report has been prepared for the Audit Committee to approve the Annual Governance Statement (AGS) for 2016/17.

### **Recommendation**

Audit Committee approves the 2016/17 Annual Governance Statement.

### **Background**

As a local authority SSDC is required to demonstrate compliance with the underlying principles of good governance and that a framework exists to demonstrate this. One of the Council's requirements in demonstrating this is to produce an Annual Governance Statement (AGS).

The Chartered Institute of Public Finance and Accountancy (CIPFA) provide guidance on the processes for the establishment, operation and review of the system of internal control. Their guidance also provides help on the format and content of the AGS.

### **Annual Governance Statement**

Regulation 6, of Accounts and Audit (England) Regulations 2015 includes a requirement to publish an Annual Governance Statement (AGS). The regulations require authorities to carry out in each financial year a review of the effectiveness of their system of internal control and may include an Annual Governance Statement in the annual accounts. This is to provide assurance that SSDC has a sound internal control framework in place to manage the risks that might prevent achievement of its statutory obligations and organisational objectives.

The statement also reflects the compliance with the "Statement on the Role of the Chief Finance Officer in Local Government (2016) and the CIPFA statement of the Role of the Head of Internal Audit (2010)." This is evidenced within the Annual Governance Statement where the authority meets with best practice.

The Annual Governance Statement is required to be signed by the Leader of the Council and the Chief Executive.

The Statement also reflects Public Sector Internal Audit Standards (PSIAS). The Standards also require a Quality Assurance and Improvement Programme which has been included within the Review of Internal Audit and will be monitored by the Audit Committee.

In producing the Annual Governance Statement, reports from SSDC's external auditors, South West Audit Partnership, a review of the effectiveness of internal audit, the annual review of the Assistant Director of SWAP, and a review of all Statements of Operational Service Internal Controls have been undertaken. The review has been completed by the Senior Leadership Team (SLT) comprising the Chief Executive, Directors (including the Monitoring Officer), and the S151 Officer.

There are no significant issues to be addressed. Significant issues are issues that would be highlighted through the Corporate Governance Group (the functions of this group have now been absorbed into SLT since April 2017), the S151 Officer, by Internal Audit as a risk score of 5, or highlighted through the work of External Audit. The action included within the Annual Governance Statement will further strengthen the control framework.

### **Financial Implications**

There are no financial implications associated with these recommendations.

**Background Papers:** *Annual Governance Statement 2016/17*

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