

ANNUAL GOVERNANCE STATEMENT 2016/17

Introduction

1. This is Charnwood Borough Council's Annual Governance Statement for 2016/17. It provides:
 - An acknowledgement of responsibility for the Council's system of governance;
 - A summary of the assessment of the effectiveness of the Council's governance arrangements;
 - An opinion on the level of assurance that the Council's governance arrangements can provide;
 - An action plan for 2017/18;
 - A summary of progress against actions raised in the previous year's Annual Governance Statement;
 - A statement on conformance with CIPFA's Statement on the Role of the Chief Finance Officer;
 - A conclusion.
2. The Annual Governance Statement will be published on the Council's website as part of the Council's statement of accounts. The Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015.

Responsibility For The Governance Framework

3. Charnwood Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
4. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management or risk.
5. The Council has approved and adopted a code of corporate governance, which was consistent with the principles of the previous CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government' It now need to be reviewed to ensure it is consistent with the 2016 Framework.

Review Of The Effectiveness Of The Governance Framework

6. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior

managers within the Council who have responsibility for the development and maintenance of the governance environment, the annual Internal Audit report, and also by comments made by the external auditors and other review agencies and inspectorates.

7. The Council's statutory officers consist of the Head of Paid Service (Chief Executive), the Monitoring Officer (Head of Strategic Support), and the s.151 Officer (Strategic Director – Corporate Services). These officers fulfil the required statutory duties associated with their roles, including ensuring that the Council's activities are in accordance with the law and legislative requirements, and that financial budgets are set appropriately and are monitored regularly.
8. The Council's Internal Audit service operates according to an annual audit programme which is developed using a risk based approach designed to ensure that key financial systems and significant Council services are audited at appropriate frequencies so that sufficient assurance on adequacy of the internal control environment and risk management arrangements can be provided.
9. The Audit & Risk Manager (the Council's Head of Internal Audit) has produced an annual report for 2016/17 which concluded that the Council's overall framework of governance, risk management and internal control is adequate and effective.
10. Internal Audit did not identify any areas of limited assurance during the year.
11. Senior managers, and the Audit Committee and Performance Scrutiny Panel are responsible for receiving and considering regular monitoring reports in respect of the risk management framework, the performance management framework, and the work of Internal Audit. The Audit Committee also receive and consider any reports arising from the work of the external auditors.
12. These arrangements and processes ensure that the Council's corporate governance and internal control arrangements are kept under regular and ongoing review throughout each financial year.
13. Additionally, as part of the process to produce the Annual Governance Statement, a comprehensive review of all sources of evidence, including external review, audit and inspection work undertaken during the year, has been undertaken.
14. This review indicates that the Council's corporate governance and internal control arrangements are adequate and effective. Although some areas for further improvement have been identified during the year, none of these are in respect of significant concerns or issues.
15. The annual audit letter issued by the Audit Commission for 2015/16 did not identify any significant internal control issues, and no recommendations were made.

16. CIPFA/SOLACE published the Delivering Good Governance in Local Government Framework in 2016 (the Framework). Whilst the requirements of the Framework have been followed in preparing this Annual Governance Statement, there is a need to undertake a wider review of the Council's governance arrangements to ensure they are in compliance with the Framework.

Assurance Opinion

17. The Council considers that the governance arrangements in place during 2016/17 provided a significant level of assurance, and continue to be fit for purpose.

Action Plan For 2017/18

18. The Council will undertake a full review of its governance arrangements against the CIPFA/SOLACE Framework during 2017/18.

Progress Against Actions Raised In The Previous Year's Annual Governance Statement

19. There were no actions arising from the previous year's Annual Governance Statement.

Conformance With The Governance Requirements Of The CIPFA Statement On The Role Of The Chief Finance Officer

20. The Chief Financial Officer of the Council is the Strategic Director of Corporate Services. This role is one of four that comprise the Council's senior management team and reports directly to the Chief Executive. These arrangements, both in design and in day to day practice, enable the financial aspects of material business decisions to be given due weight.
21. The Council maintains an effective system of financial control which is clearly set out within the Council's financial regulations and procedure rules. Control and oversight is facilitated by an effective internal audit function and underpinned by a strong culture of careful management of public money demonstrated by all managers. The efficacy of the control environment can be evidenced through the Council's recent history of financial outturns, and the timeliness and quality of its financial statements and other financial returns.
22. The Chief Financial Officer is the Council's Section 151 Officer (from section 151, Local Government Act 1972) and in accordance with the statutory requirements covering this role has an appropriate accountancy qualification, being a member of the Institute of Chartered Accountants in England and Wales. The Deputy Section 151 Officer (who is the Council's Head of Finance and Property) is a member of the Chartered Institute of Public Finance and Accountancy. Both have significant experience in local government. In the view of the Chief Financial Officer, the Council's finance function is considered adequately resourced and contains a mix of staff with appropriate levels of

professional qualifications and experience.

23. In the opinion of the Chief Financial Officer the authority's financial management arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)* as set out in the Application Note to *Delivering Good Governance in Local Government Framework*.

Conclusion

24. The Council is committed to the principles of sound and effective governance, and will continue to monitor implementation as part of the next annual review.

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Geoff Parker
Chief Executive

Date:

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Councillor David Slater
Leader of the Council

Date: