

**REPORT TO:** Business Efficiency Board

**DATE:** 7 June 2017

**REPORTING OFFICER:** Strategic Director – Enterprise, Community & Resources

**SUBJECT:** Draft Annual Governance Statement - 2016/17

**PORTFOLIO:** Resources

**WARD(S):** Borough-wide

### **1.0 PURPOSE OF REPORT**

The purpose of this report is to enable Members of the Board to consider and approve the draft Annual Governance Statement for 2016/17.

### **2.0 RECOMMENDATIONS:**

**The Board is asked to review the draft Annual Governance Statement (AGS) and:**

- 1) Confirm that it accurately reflects the Council's governance arrangements and governance challenges;**
- 2) Approve the draft Annual Governance Statement.**

### **3.0 SUPPORTING INFORMATION**

#### **Background to the Annual Governance Statement**

- 3.1 Under the Accounts and Audit Regulations 2015 the Council must produce an AGS which must be approved by the resolution of a committee or members of the authority meeting as a whole. The AGS must also be approved in advance of the Council approving the statement of accounts, which are due to be presented at the September meeting of the Board.
- 3.2 The Council's Constitution delegates the responsibility to review and approve the AGS to the Business Efficiency Board. Once approved, the AGS is signed by the Council Leader and Chief Executive and is published on the Council's website.
- 3.3 The AGS covers the governance framework in place for 2016/17 and up to the date the accounts are signed off by the Council's external auditor. A key aspect of the statement is the identification of any areas where the Council's governance arrangements need to be developed and to provide a commitment to addressing those issues.
- 3.4 In April 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) together with the Society of Local Authority Chief Executives and Senior Managers (SOLACE) published a revised framework and guidance notes for delivering good governance in local authority organisations. Internal

Audit is to review these documents against the Council's governance framework during 2017/18 and recommendations will be made, if necessary, to address any areas where the Council's governance arrangements can be further developed.

### **Preparation of the 2016/17 Annual Governance Statement**

3.5 The process followed in producing the AGS is the same as in previous years being led by a group of officers who have key roles in the maintenance and development of the Council's governance framework:

- Strategic Director - Enterprise, Community & Resources
- Operational Director - Finance
- Operational Director - Legal & Democratic Services
- Divisional Manager - Audit, Procurement & Operational Finance

3.6 The statement is developed by considering various sources of assurance over the Council's governance arrangements and identifying any areas where these arrangements require further development.

3.7 The draft AGS for 2016/17 is attached to this report. The document highlights two ongoing challenges that may impact on the Council's governance arrangements:

#### Funding pressures

The Council recognises the need to continue to deliver high quality services and maintain robust governance arrangements in a period of continuing funding pressures.

#### Liverpool City Region Combined Authority

The Council also recognises the need for Halton's officers and members to be fully conversant with the developing governance arrangements relating to the Mayoral Combined Authority. This will require the Council ensuring it has the capacity to fulfil its role within the LCR, which may in turn mean reviewing some of its own priorities.

3.8 If any amendments are required to the AGS, or if there are any significant developments affecting the Council's governance arrangements that emerge, an updated version of the AGS will be presented to the September meeting of the Board.

## **4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS**

4.1 The powers and duties of the Business Efficiency Board include responsibility for considering the Council's corporate governance arrangements and agreeing necessary actions to ensure compliance with best practice. The draft AGS provides a commitment to address the governance challenges identified by the Council.

4.2 There are no direct financial implications arising from this report, although the AGS makes reference to the key financial challenges faced by the Council.

## **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **5.1 Children and Young People in Halton**

Good governance leads to good management, good performance and good stewardship of public money. It therefore enables the Council to implement its vision in accordance with its values and to engage effectively with its citizens and service users and ensure good outcomes for them.

### **5.2 Employment, Learning and Skills in Halton**

See 5.1 above

### **5.3 A Healthy Halton**

See 5.1 above

### **5.4 A Safer Halton**

See 5.1 above

### **5.5 Halton's Urban Renewal**

See 5.1 above

## **6.0 RISK ANALYSIS**

6.1 The AGS provides assurance that the Council has a sound system of risk management, control and governance. The document provides a public statement of how the Council directs and controls its functions and relates to its community.

6.2 There are no risks directly arising from this report. However, good governance helps ensure that risks are properly managed.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equalities Act 2010 and related statutes. Proper governance arrangements will ensure that equality and diversity issues are appropriately addressed.

## **8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact
CIPFA / SOLACE – Delivering good governance in Local Government: Framework (2007)	Kingsway House, Widnes	Merv Murphy
CIPFA / SOLACE - Delivering good governance in Local Government: Guidance note for English authorities (2007)		

The Accounts and Audit (England)  
Regulations 2015