

EAST HERTS COUNCIL

PERFORMANCE, AUDIT & GOVERNANCE OVERSIGHT – 31 JULY 2019

REPORT BY THE LEADER OF THE COUNCIL

ANNUAL GOVERNANCE STATEMENT 2018/19

WARD(S) AFFECTED: All

Purpose/Summary of Report

- This report presents the 2018/19 Annual Governance Statement and the 2018/19 Annual Governance Statement Action Plan.

<u>RECOMMENDATIONS FOR PERFORMANCE, AUDIT & GOVERNANCE OVERSIGHT COMMITTEE: to consider the following items:</u>	
(A)	The 2018/19 Annual Governance Statement and
(B)	The 2018/19 Annual Governance Statement's 2019/20 Action Plan.

1 Background

1.1 The Accounts and Audit Regulations 2015 stipulate that all authorities must conduct a review of the effectiveness of the system of internal controls and prepare an Annual Governance Statement each financial year.

1.2 The annual governance statement must be approved in advance of the authority approving the statement of accounts.

2 **Annual Governance Statement**

- 2.1 The Council is responsible for preparing and publishing its Annual Governance Statement in accordance with the Chartered Institute of Public Finance Accounts (CIPFA) and the Society of Local Authority Chief Executive and Senior Managers (SoLACE) framework.
- 2.2 This fulfils the statutory requirement that Local authorities review their governance arrangements at least once a year.
- 2.3 The Delivering Good Governance in Local Government Framework requires local authorities to be responsible for ensuring that:
 - their business is conducted in accordance with all relevant laws and regulations;
 - public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
 - there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
- 2.4 The annual governance statement will act as a vehicle for the review of the Council's governance arrangement. The review should be reported both internally within the Council, to the Performance, Audit and Governance committee and externally within the published accounts to provide assurances that:
 - Governance arrangements are adequate and operating effectively in practice or
 - Where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future
- 2.5 The process of preparing the governance statement should itself add value to the corporate governance and internal controls framework of the Council.

- 2.6 It is important to recognise that the governance statement covers all significant corporate systems, processes and controls for all of the Council's activities.
- 2.7 The static part of the Annual Governance Statement can be found at **Essential Reading Paper 'B'**.
- 2.8 The Annual Governance Statement Action Plan 2019/20 can be found at **Essential Reading Paper 'C'**.

3 Implications/Conclusion

Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper A**.

Background Papers

None.

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