



AGENDA ITEM:

AUDIT & GOVERNANCE COMMITTEE: 28 May 2019

Report of: Borough Treasurer

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SUBJECT: ANNUAL GOVERNANCE STATEMENT

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 To consider the Council's Annual Governance Statement.

2.0 RECOMMENDATION

2.1 That the Annual Governance Statement 2018/2019, set out in Appendix 1, be approved and commended to the Leader and Chief Executive for signature.

3.0 BACKGROUND

3.1 The Accounts and Audit Regulations require the Council to publish an Annual Governance Statement with its financial reports.

3.2 The terms of reference of this Committee include responsibility for approving the Annual Governance Statement and commending it for signature by the Leader and Chief Executive.

4.0 CURRENT POSITION

4.1 The Annual Governance Statement provides a summary of the Council's internal control environment and a review of its effectiveness. This year's Statement confirms that the framework is adequate and that it is working effectively. This continues the Council's track record of demonstrating solid financial and governance arrangements.

- 4.2 The main governance issue that has been identified relates to the financial challenges facing local authorities primarily as a result of reductions in government grant funding. This risk is included on the Council's Key Risk Register and the primary mechanism for addressing it will be the Sustainable Organisation Review Project, and the results of this review are due to be reported to Council in July.
- 4.3 The Authority has consistently received positive feedback from its external auditors on its arrangements for internal control, and the most recent Annual Audit Letter has concluded the same. In the Annual Internal Audit Report, elsewhere on this agenda, the Council's Internal Audit Manager has summarised the findings from Internal Audit activity over the year and these findings are incorporated into the Annual Governance Statement.
- 4.4 All Heads of Service and Senior Managers have considered and signed a Certificate on Internal Control to confirm that governance arrangements and internal controls have not been compromised during the past year in their areas of responsibility. As it is Managers who are charged with embedding governance systems in their areas, this is an integral part of the annual review process.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 All the activity referred to in this report is covered by existing budget provisions.

7.0 RISK ASSESSMENT

- 7.1 Failure to publish an Annual Governance Statement with the Statement of Accounts would breach one of the Council's statutory obligations.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix – West Lancashire Borough Council 2018/19 Annual Governance Statement