

Report to:	AUDIT COMMITTEE
Relevant Officer:	Mr Mark Towers, Director of Governance and Partnerships
Date of Meeting	19 January 2017

ANNUAL GOVERNANCE STATEMENT 2015-2016 MID-TERM REVIEW

1.0 Purpose of the report:

- 1.1 To provide the Audit Committee with an update on progress made on the actions identified in the Annual Governance Statement 2015-2016.

2.0 Recommendation(s):

- 2.1 The Committee is asked to consider and approve the mid-term review of the Annual Governance Statement for 2015/2016.

3.0 Reasons for recommendation(s):

- 3.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review on the effectiveness of its system of internal control and publish an Annual Governance Statement reporting on the review with the Statement of Accounts. Best practice states that this should be a continual process throughout the year and not just undertaken as an annual exercise.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

- 3.3 Other alternative options to be considered:
N/a

4.0 Council Priority:

- 4.1 The relevant Council Priorities are:
- "The economy: Maximising growth and opportunity across Blackpool"
 - "Communities: Creating stronger communities and increasing resilience".

5.0 Background Information

- 5.1 Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 5.2 The CIPFA Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are defined as:
- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
 - Ensuring openness and comprehensive stakeholder engagement.
 - Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - Developing the Council's capacity, including its leadership and the individuals within it.
 - Managing risks and performance through robust internal control and strong public financial management.
 - Implementing good practices in transparency, reporting and audit, to deliver effective accountability.
- 5.3 The governance framework at Blackpool Council comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 5.4 This report provides an update in terms of the progress which has been made in implementing the actions identified in the Annual Governance Statement. This is the first time that such a mid-term review has been undertaken and it is being carried out after a request from the Committee.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 4(a) – Annual Governance Statement 2015-2016 Mid-Term Review.

6.0 Legal considerations:

- 6.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.

7.0 Human Resources considerations:

- 7.1 N/a

8.0 Equalities considerations:

- 8.1 N/a

9.0 Financial considerations:

- 9.1 Each of the actions identified in the Annual Governance Statement will be delivered within the constraints of the agreed budget for 2016/2017.

10.0 Risk management considerations:

- 10.1 Risk management and the control environment have been considered throughout the draft of the Annual Governance Statement 2016/2017.

11.0 Ethical considerations:

- 11.1 N/a

12.0 Internal/ External Consultation undertaken:

- 12.1 In October 2016 a Good Governance Group was formed at the Council. One of the roles of the group will be to prepare the Annual Governance Statement and oversee the delivery of the identified actions.

The Good Governance Group comprises of:

- Director of Governance and Partnerships
- Chief Internal Auditor
- Chief Accountant
- Head of ICT

- Head of Corporate Delivery Unit
- Head of Democratic Governance
- Head of Community Engagement
- Head of HR and Organisational Development
- Senior Solicitor

13.0 Background papers:

13.1 N/a