

Report to:	AUDIT COMMITTEE
Relevant Officer:	Mark Towers, Director of Governance and Partnerships Steve Thompson, Director of Resources Tracy Greenhalgh, Chief Internal Auditor
Date of Meeting	22 June 2017

ANNUAL GOVERNANCE STATEMENT 2016/2017

1.0 Purpose of the report:

1.1 To consider the Annual Governance Statement for 2016/2017.

2.0 Recommendation(s)

2.1 The Audit Committee is asked to consider and approve the draft Annual Governance Statement for 2016/2017 and consider a mid-year review of progress against the actions outlined in the Annual Governance Statement.

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.

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:

None.

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 The governance framework incorporated into this report has been in place at Blackpool Council for the year ended 31 March 2017 and up to the date of the approval for the statement of accounts for that year.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 5(a): Annual Governance Statement 2016/2017

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 None.

8.0 Equalities considerations:

8.1 None.

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 2017/2018.

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 None.

12.0 Internal/ External Consultation undertaken:

12.1 A Good Governance Group was established in October 2016 and has led on the review of effectiveness and the production of the Annual Governance Statement, including reviewing the 2015/2016 statement to ensure that governance issues identified have subsequently been addressed. This group is chaired by the Director of Governance and Partnerships and attended by the Chief Internal Auditor, Head of Democratic Governance, Head of Corporate Delivery Unit, Deputy Head of Legal Services, Head of ICT, Chief Accountant, Equality and Diversity Manager and the Head of Organisation and Workforce Development.

12.2 A workshop was held on the 24 April 2017 with key officers involved in governance. This included the core Good Governance Group and also the Head of Revenues and Exchequer Services, Fairness Commission Manager and Head of Customer Engagement and Life Events.

12.3 A workshop was held on the 11 May 2017 with representation from Scrutiny, Audit and the Executive and facilitated by the Chief Internal Auditor and Head of Corporate Delivery Unit.

12.4 The Corporate Leadership Team was required to complete a control self-assessment questionnaire providing assurance that their directorates were compliant with a number of key controls. Each Director was asked to highlight the three most significant control issues faced over the next twelve months and the risks have been incorporated into the significant governance issues action plan.

13.0 Background papers:

13.1 None.