

AUDIT COMMITTEE

28 11 2017

Subject Heading:

Annual Governance Statement

CMT Lead

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Policy context:

This report presents the amended version of the 2016/17 Annual Governance Statement.

Financial summary:

N/A

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report provides an amended version of the 2016/17 Annual Governance Statement, following recommendations received from our external auditors.

RECOMMENDATIONS

1. To note the amendments to the 2016/17 Annual Governance statement.

REPORT DETAIL

1. The Accounts and Audit Regulations (England) 2015 require the Council to conduct at least annually a review of the effectiveness of its system of internal control and to approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control.
2. The Annual Governance Statement is prepared in accordance with the requirements of 'Delivering Good Governance in Local Government: Framework' (CIPFA/SOLACE, 2016).
3. The Annual Governance Statement is subject to audit alongside the Statement of Accounts. Following the 2016/17 audit, the external auditors requested that we amend the statement to ensure compliance with the code.
4. Two amendments were made to the statement, as detailed below and highlighted in Appendix 1:
 - From the work undertaken during the 2016/17 year, reasonable assurance can be provided that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are generally applied consistently. The level of assurance, therefore, remains at a level consistent with the assurance provided in 2015/16 (pg. 4 of statement).
 - To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year. We did not find any matters that needed addressing during our review other than those that were previously identified and on which action has been taken to address (pg.11 of statement).
5. The two amendments have been approved by the Leader and Chief Executive.
6. The final version of the AGS is attached as appendix 1.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications arising directly from commenting on/agreeing the Annual Governance Statement. However, implementation of the planned actions set out in the AGS may have financial implications. The expectation is that these will be contained within existing resources. Where this is not the case issues will be raised through the appropriate channels.

Failure to produce a robust AGS could result in adverse comments from the Council's External Auditors.

Legal implications and risks:

The Authority is statutorily obliged to conduct an annual review into the effectiveness of its systems of internal control prepared in accordance with proper practices. The Annual Governance Statement complies with that requirement. There are no apparent legal implications in noting the amendments to the Statement.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Equalities implications and risks:

None arising directly from this report.

BACKGROUND PAPERS

None.

Appendix 1 - 2016/17 Annual Governance Statement.