



# Northumberland

## County Council

### **AUDIT COMMITTEE**

**27 MARCH 2019**

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#### **Annual Governance Statement**

**Report of Alison Elsdon, Service Director - Finance**

**Cabinet Member: Councillor Nicholas Oliver, Executive Member for Corporate Services**

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#### **Purpose of report**

1. The purpose of this report is to provide Members with a draft version of the Annual Governance Statement (AGS) for their review.

#### **Recommendations**

2. It is recommended that the Audit Committee reviews the AGS prior to its inclusion within the financial statements.

#### **Link to Corporate Plan**

3. The report is relevant to the Corporate Plan's ambition to be efficient, open and work for everyone.

#### **Key issues**

4. The Audit Committee's terms of reference include a requirement that it:
  - Reviews the Council's corporate governance arrangements against the good governance framework and considers annual governance reports and assurances; and,

- Reviews the Annual Governance Statement prior to approval and considers whether it properly reflects the risk environment and supporting assurances.
5. The Council's draft AGS for 2018-19 is attached.
  6. The final version of the AGS will be published with the Council's Statement of Accounts in line with The Chartered Institute of Public Finance and Accountancy (CIPFA) requirements.

### **Background**

7. The Council is required to prepare an AGS each year that sets out the governance arrangements in place and reviews their effectiveness. The statement is published with the Statement of Accounts. It is reviewed by the Audit Committee and is signed by the Leader, the Chief Executive and the Section 151 Officer. The draft AGS for 2018-19 is attached.
8. All heads of service, lead officers in provision of shared services for procurement and internal audit and the managing director of Advance Northumberland have been required to complete returns reviewing compliance with the governance framework during 2018-19, summarising changes and improvements to governance during the year and identifying further improvements to be implemented during 2019-20. From the information contained within the returns, the attached draft AGS has been prepared by the Service Director - Finance and acting Section 151 Officer.
9. The Council's level of compliance with each of the seven principles of the governance framework has been assessed as part of the process and the AGS includes a proposed governance improvement plan for 2019-20.
10. The AGS will also be reviewed by Internal Audit to provide assurance on its accuracy and completeness and will be amended accordingly prior to submission to the Audit Committee as part of the Statement of Accounts.

## **Implications**

<b>Policy</b>	Various policies in place across the Council form part of the assurance framework
<b>Finance and value for money</b>	Through developing a robust assurance framework, financial controls will continue to be improved.
<b>Legal</b>	The constitution and finance and contract regulations will continue to be reviewed and updated.
<b>Procurement</b>	The Procurement shared service has contributed to the process.
<b>Human Resources</b>	The HR service has contributed to the process.
<b>Property</b>	Property and Housing services have contributed to the process.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	An impact assessment is not applicable.
<b>Risk Assessment</b>	Having a well-defined assurance framework reduces the risk of any weaknesses arising underpinning the Council's governance.
<b>Crime &amp; Disorder</b>	No direct implications from this report.
<b>Customer Consideration</b>	Engagement with service users through better engagement, consultation and dealing with complaints is a recurring theme within service governance improvement plans.
<b>Carbon reduction</b>	n/a
<b>Wards</b>	All

## **Background papers:**

Individual service assessments completed by heads of service, lead officers for shared services for Procurement and Internal Audit and the managing director of Advance Northumberland.

**Report sign off.**

S151 Officer	Alison Elsdon
Monitoring Officer	Liam Henry
Relevant Executive Director	Daljit Lally
Chief Executive	Daljit Lally
Portfolio Holder(s)	Councillor Nick Oliver

**Author and Contact Details**

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