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<b>REPORT TO:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE (AUDIT)</b>
<b>DATE:</b>	<b>28 JULY 2016</b>
<b>REPORT OF THE:</b>	<b>FINANCE MANAGER (s151) PETER JOHNSON</b>
<b>TITLE OF REPORT:</b>	<b>ANNUAL GOVERNANCE STATEMENT 2015/16</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 For members to consider the Council's review of its system of internal control and approve the Annual Governance Statement (AGS) as required by the Accounts and Audit Regulations 2015.

### **2.0 RECOMMENDATION**

- 2.1 It is recommended that members approve the Annual Governance Statement for inclusion in the Statement of Accounts.

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 The Accounts and Audit Regulations require councils to approve an Annual Governance Statement. In Ryedale approval of the AGS is the responsibility of the Audit Committee.

### **4.0 SIGNIFICANT RISKS**

- 4.1 The Council would not comply with the requirements of the Accounts and Audit Regulations 2015 if it failed to review its system of internal control at least annually, or did not approve and publish an Annual Governance Statement.

### **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 Production of the AGS is a mandatory requirement. Senior Council officers have contributed to the review of controls and preparation of the statement.

## **REPORT**

### **6.0 REPORT DETAILS**

- 6.1 Good governance is important to the proper operation of all organisations, and is

essential for local authorities and other bodies with a responsibility for managing public funds. In recognition of this importance, the Accounts and Audit Regulations require all councils to annually review their systems of control and prepare an annual governance statement setting out their governance arrangements. The statement should include any significant issues relevant to an understanding of the governance framework. The AGS forms part of a Council's Statements of Accounts and is considered by the external auditor during their review of the accounts.

- 6.2 The Corporate Management Team and other appropriate officers have reviewed the Council's system of controls. In addition, comments, evidence, and feedback from a number of internal and external sources have been considered in compiling the statement. The Council has adopted the Cipfa framework for producing the AGS, and the attached AGS (See Annex A) has been prepared in accordance with proper practice

## **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:
- a) Financial  
None
  - b) Legal  
None
  - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
None

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### **Background Papers:**

CIPFA – Annual Governance Statement in Local Government – meeting the requirements of the Accounts and Audit (Amendment) (England) Regulations 2006 The 'rough guide'  
Cipfa Finance Advisory Network – AGS 'Rough Guide' for practitioners.  
Cipfa/Solace – Delivering Good Governance in Local Government Framework 2012  
The Accounts and Audit (England) Regulations 2015

### **Background Papers are available for inspection at:**

Finance – Ryedale House  
Contact Peter Johnson