

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE  
AUDIT AND STANDARDS COMMITTEE**

**24 June 2019**

**1. Annual Governance Statement 2018/19**

**Submitted by: Executive Director – Resources and Support Services**

**Portfolio: Finance and Efficiency**

**Ward(s) affected: All**

**Purpose of the Report**

To recommend that the Annual Governance Statement for 2018/19 be approved for inclusion in the financial statements.

**Recommendations**

***That the Committee approve the Annual Governance Statement for 2018/19.***

**Reasons**

To seek members approval of the Annual Governance Statement for 2018/19 based upon their satisfaction that it is based upon relevant and reliable evidence.

**1. Background**

- 1.1 Members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal.
- 1.2 The Council has approved and adopted a Code of Corporate Governance. A copy of the Code is on our website.
- 1.3 Under the Accounts and Audit Regulations 2015 the Council is required to publish an Annual Governance Statement (AGS) with the financial statements and emphasise the importance of embedding internal control, including the process of risk management throughout the Council. In response the Council produced an AGS for 2018/19 covering corporate governance, financial and other key control issues (the statement is provided as Appendix A).
- 1.4 The AGS is published with the financial statements. In considering the approval of the AGS Members should satisfy themselves that the statement is based upon relevant and reliable evidence. Details of the evidence relied upon when collating the AGS can be made available by contacting the Executive Director – Resources and Support Services.
- 1.5 The AGS includes the following headings:
  - Scope of responsibility,
  - Delivering good governance in Local Government: framework,
  - The governance framework,
  - Review of effectiveness and,

- Significant governance issues

2. **Issues**

- 2.1 In preparing the AGS your officers have considered the Chartered Institute of Public Finance (CIPFA) 'Delivering Good Governance Framework' guidance document.
- 2.2 The AGS has been produced combining findings from Assurance statements from the Chief Executive and Executive Directors, informed by Heads of Service and Business Managers, the work of Internal Audit and various corporate working parties and comments from external auditors and other review agencies.
- 2.3 Section 5 of the AGS identifies those areas, following the review of internal controls for the financial year 2018/19 that needs addressing. Action plans where not already in place will be drawn up by your officers to address the issues highlighted.
- 2.4 Not to complete an AGS would be in breach of the legislation already outlined in the background. Completion of the statement is best practice and demonstrates the transparency of the Council's Governance arrangements for 2018/19.

3. **Legal and Statutory Implications**

- 3.1 The Council must comply with the Accounts and Audit Regulations 2015, in particular the requirement to publish an AGS with the financial statements.

4. **Financial and Resource Implications**

- 4.1 There are no specific financial implications arising from the AGS, resource requirement linked to action plans will be brought to members as separate projects if required.

5. **Major Risks**

- 5.1 If internal controls are not managed effectively and within the law, public resources will not be safeguarded from waste or property accounted for.
- 5.2 If internal controls are not reviewed regularly, continuous improvement may not be exercised.

6. **List of Appendices**

- 6.1 Appendix A – Annual Governance Statement 2018/19.

7. **Background Papers**

- Assurance statements,
- CIPFA guidance – Delivering good governance in Local Government