

2. ANNUAL GOVERNANCE STATEMENT 2016/17

The Accounting and Audit Regulations 2015 (at section 6.1 a) require a local authority to prepare an Annual Governance Statement.

At Wokingham Borough Council good governance is everyone's responsibility however the Leader of the Council and Chief Executive acknowledge their leadership role in relation to good governance.

The Council has defined its governance arrangements in its *Local Code of Governance: Delivering Good Governance in Wokingham Borough Council*. This details how the council has operated its governance arrangements in the past year. The Council has undertaken a review of its governance arrangements via management assurance statements completed by Directors (including statutory officers) and Internal Audit.

This process has identified the following improvements:

- Commissioned a land encroachment resource to safeguard the Council's interests in its assets.
- Established a clear asset disposals protocol to ensure that all Council interests are properly considered.
- Implemented a model for Community Asset Transfer, as part of establishing a general discipline around getting best value for our assets unless an alternative is agreed by Executive.
- In association with Finance, the Capital Prioritisation Group has been formalised as a standing group and has new clearer Terms of Reference. This forms part of the significant improvements in capital management and control which were noted in the internal audit report issued in April 2017.
- Signed Memorandum of Understanding (MoU) between highways alliance partners in September 2017, to enhance partnership working.
- Introduction of the highway alliance business improvement initiative.
- Regular updates to the Council's Constitution to reflect changes in legislation and good practice.
- Guidance to Members on issues such as confidentiality.
- Two internal audits achieved the highest Opinion; for the Creditors review and for Capital Programme, Accounting and Expenditure Monitoring. In regard to the Capital Programme review, this was a particularly notable as it progressed from the third to the highest Opinion in the past year.
- An investigation's proactive exercise on the New Homes Bonus work identified 64 properties recorded as empty that have come back in to use. These will also be included in the New Homes Bonus Grant formula calculation.

This process has also identified the following exceptions:

- The internal audit of Housing Rents identified concerns in relation to the collection of current and former tenants' arrears, suspense account income, supporting documentation for new sheltered housing tenancies, and reporting of Housing Revenue Account balance sheet arrears and prepayment balances.
- The internal audit of Shared Building Services identified an absence of current contractual documentation and supporting records to determine the veracity of reactive maintenance payments to contractors. This is being addressed for future payments with the introduction of a new "valuation spreadsheet" set up by the service. There was also a similar exception with regard to service contract payments to contractors.

The Chief Executive has identified the actions required to strengthen these areas of governance and will monitor their implementation.

The Council therefore concludes that its governance arrangements are fit for purpose.

Signed:

Leader of the Council:

Date:

Chief Executive:

Date: