

# Agenda Item 9.

<b>TITLE</b>	<b>Annual Governance Statement 2014/15</b>
<b>FOR CONSIDERATION BY</b>	Audit Committee on 23 June 2015
<b>WARD</b>	None Specific
<b>DIRECTOR</b>	Andy Couldrick, Chief Executive

## **OUTCOME / BENEFITS TO THE COMMUNITY**

The Accounts and Audit (England) Regulations 2011 require authorities to operate “a sound system of internal control” and for this to be regularly reviewed. Linked to this, all councils are legally required to publish an Annual Governance Statement (AGS) as part of the Statement of Accounts.

The purpose of the AGS is to comply with this legal requirement and provide a transparent and accurate representation of the council’s governance arrangements during 2014/15 and highlight issues that the council wishes to improve.

## **RECOMMENDATION**

The Audit Committee is asked to consider and approve the AGS on behalf of the Council, prior to it being included in the final Statement of Accounts.

## **SUMMARY OF REPORT**

The AGS covers the following key aspects of the governance environment in place at Wokingham Borough Council during 2014/15:

- Establishing and monitoring the achievement of the council’s objectives;
- Facilitation of Policy and Decision-making;
- Financial Management;
- Performance Management; and
- Risk Management.

It also comments on the effectiveness of the council’s governance arrangements, including the system of internal control and the effectiveness of Internal Audit. It identifies areas of significant governance weaknesses that the council intends to address to further improve the governance framework in place. This demonstrates the council’s commitment to openness and transparency.

## **Background**

The AGS has been produced by the Corporate Leadership Team (CLT) following consideration of a number of Management Assurance Statements (MAS) produced by the council’s four Directors and two Heads of Services. MAS’s completed by WBC for 2014/15 have been signed by the relevant Director/Head of Service and Executive Lead Member to provide accountability and assurance to the Chief Executive and Leader of the Council, who are legally required to sign the AGS prior to it being included in the final Statement of Accounts.

Once the AGS has been formally adopted by Audit Committee, governance disclosures detailed in Section 8 of the AGS will be managed within the appropriate risk register to provide for clear accountability, reduced bureaucracy and to assist in further embedding risk management within the council.

## Analysis of Issues

See above.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	Yes	N/A
Next Financial Year (Year 2)	N/A	Yes	N/A
Following Financial Year (Year 3)	N/A	Yes	N/A

### Other financial information relevant to the Recommendation/Decision

Not applicable.

### Cross-Council Implications

Not applicable.

### Reasons for considering the report in Part 2

Not applicable.

### List of Background Papers

None.

<b>Contact</b> Catherine Hickman	<b>Service</b> Service Manager - Shared Audit & Investigation Service
<b>Telephone No</b> 07917265742	<b>Email</b> <a href="mailto:Catherine.Hickman@wokingham.gov.uk">Catherine.Hickman@wokingham.gov.uk</a>
<b>Date</b> 02 June 2015	<b>Version No.</b> v1