



Report of:	Meeting	Date	Item no.
Head of Finance (S151 Officer)	Audit Committee	20 June 2017	9

Annual Governance Statement 2016/17

1. Purpose of report

- 1.1 To approve the Annual Governance Statement (AGS) for inclusion in the Annual Statement of Accounts in July 2017 following a review of the Council's governance arrangements.

2. Outcomes

- 2.1 Evidence that the Council has effective governance arrangements in place.

3. Recommendations

- 3.1 The Committee is asked to review and formally approve the AGS, which incorporates the council's Code of Corporate Governance.

4. Background

- 4.1 The AGS is a valuable means of communication. It enables an authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.
- 4.2 In accordance with the Accounts and Audit Regulations 2015 the council is required to prepare an AGS, which is published alongside the Statement of Accounts. The first AGS was approved by the Audit Committee in May 2008.
- 4.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) have jointly issued a framework and guidance in relation to the AGS; 'Delivering Good Governance in Local Government'. The guidance urges local authorities to prepare a governance statement in order to report publicly on the extent to which they comply with their own code of governance on an annual basis, including how they have monitored effectiveness of their governance

arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should itself add value to the corporate governance and internal control framework of an organisation. It also recommends that when complying with the guidance, authorities should use it in a way that best reflects their structure, type, functions and size.

- 4.4** The framework recognises that effective governance is achieved through seven core principles;
- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;
 - B. Ensuring openness and comprehensive stakeholder engagement;
 - C. Defining outcomes in terms of sustainable economic, social and environmental benefits;
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
 - E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it;
 - F. Managing risks and performance through robust internal control and strong public financial management; and
 - G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

5. Key Issues and proposals

- 5.1** The AGS is attached at Appendix 1 and has been prepared following a workshop which was attended by key officers of the council who have the most appropriate knowledge, expertise and levels of seniority to consider the extent to which the organisation complies with the principles set out in paragraph 4.3.
- 5.2** The Leader of the Council and the Chief Executive have signed the statement certifying that they are aware of the governance issues within the Authority and of the measures that are needed to mitigate them.

Financial and legal implications	
Finance	None arising directly from the report.
Legal	Effective audit and risk management assist in good governance and probity of council actions.

Other risks / implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with an x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
data protection	x

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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

Appendix 1 – Annual Governance Statement 2016/17

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ANNUAL GOVERNANCE STATEMENT 2016/17

1.0 INTRODUCTION TO CORPORATE GOVERNANCE

- 1.1 Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately leads to good outcomes for the citizens and the service users of Wyre. Good governance also enables the council to pursue its corporate vision effectively, as well as underpinning that vision, with mechanisms for control and management of risks.

2.0 SCOPE OF RESPONSIBILITY

- 2.1 Wyre Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for, and that funding is used economically, efficiently and effectively. Wyre Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.2 In discharging this overall responsibility, Wyre Council is responsible for putting in place suitable arrangements for the governance of its affairs, which facilitate the effective exercise of its functions and includes arrangements for the management of risk.
- 2.3 Wyre Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework.

3.0 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 3.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled, together with the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wyre Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3.3 The governance framework has been in place at Wyre Council for the year ended 31 March 2017 and up to the date of approval of the annual statement of accounts.

4.0 WYRE COUNCIL'S LOCAL CODE OF CORPORATE GOVERNANCE

4.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) have published a framework and guidance for delivering good governance in local government. The guidance helps local authorities to interpret the overarching principles contained in the framework prior to developing and maintaining their own 'local' corporate governance arrangements. The framework recognises that effective governance is achieved through seven core principles and 21 sub-principles.

4.2 It should be noted that the CIPFA/SOLACE guidance is not prescriptive and authorities are encouraged to use it in a way that best reflects their structure, type, functions and size.

5.0 HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

5.1 Set out below is how the council has complied with the seven principles set out in the CIPFA/SOLACE framework during 2016/17.

Core Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Behaving with integrity

- Established codes of conduct define expected standards of personal behaviour for both staff and Members.
- The council has a set of values for its staff reflecting public expectations about the conduct and behaviour of individuals.
- Effective arrangements are in place to ensure that high standards of conduct for elected members are firmly embedded within the culture.
- Induction training is in place for both staff and newly elected members.
- Arrangements are in place to ensure that members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.
- A register of interests is maintained for members and officers.
- An up-to-date register of gifts and hospitality is maintained and is reviewed annually by the Monitoring Officer.
- There is an effective Standards Committee.
- Arrangements are in place for whistleblowing, to which all officers, members and all those contracting with the council have access. The policy is reviewed annually by the Audit Committee.
- Arrangements are in place so that conflicts of interest on behalf of members and officers are avoided.
- Effective, transparent and accessible arrangements are in place for dealing with complaints.

Demonstrating strong commitments to ethical values

- The Head of Governance (Chief Internal Auditor) champions ethical compliance for both officers and members.
- Ethical governance surveys are used to ensure staff are regularly reminded of the council's policies and procedures in place to manage ethical governance.
- Protocols are in place for partnership working. These are documented in the council's Financial Regulations and Financial Procedure Rules.
- A competency framework, listing required behaviours and values, is currently used to drive recruitment and performance reviews are undertaken as part of the performance appraisal system.
- Policies and procedures are in place and are regularly reviewed for dealing with unacceptable behaviours.

Respecting the rule of law

- The authority has complied with The Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer in Local Government.
- The Constitution sets out the responsibilities of elected members by defining the decision-making powers of the Council, Executive, Overview and Scrutiny and regulatory and other committees, providing clear terms of reference, and describing roles and functions.
- The Head of Governance (Chief Internal Auditor) has over 16 years internal audit experience and is professional qualified. She is a certified and chartered auditor (CIA, CMIIA) and also holds a Qualification in Internal Audit Leadership (QIAL).
- Anti-fraud and anti-corruption policies are in place and reviewed annually by Audit Committee.
- The Monitoring Officer is responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
- Up to date job descriptions and person specifications are maintained for the Chief Executive, Section 151 Officer and the Monitoring Officer.
- The council uses an on-line e-learning package to promote information security and the Data Protection Act.
- Regular training is provided to elected members who sit on regulatory committees such as planning or licensing.
- Specific legislative requirements are observed, as well as the requirements of general law, and in particular the key principle of good administrative law, rationality, legality and natural justice form part of procedures and decision-making.
- Proper professional advice on matters that have legal or financial implications is available and recorded in advance of decision-making and used appropriately.
- Limits of lawful activity are recognised by the ultra vires doctrine and managers strive to utilise their powers to the full benefit of the community.
- All allegations concerning breaches of the code by elected members are thoroughly investigated.

Core Principle B – Ensuring openness and comprehensive stakeholder engagement.

Openness

- A business plan is published annually giving information on the council's vision, priorities and performance measures which is shared with all officers, members, partners and the community.
- An annual statement of accounts is produced with an easy to read narrative report.
- The annual efficiency statement is published with the revenue estimates.
- The Head of Finance (Section 151 Officer) is responsible for publishing annual accounts, in a timely manner and within statutory deadlines, to communicate the council's activities and achievements, its financial position and performance.
- The council as a whole is open and accessible to the community, service users and its officers and is committed to openness and transparency in all its dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
- The council has been awarded a 4 star rating (highest possible rating) in the last annual SOCITM (Society of Information Technology Management) review.
- The council complies with the Local Government Transparency Code 2015 and a recent audit review gave 'substantial assurance' that the council was complying with the Code.
- Wyre Voice, an information leaflet produced by the council, is delivered to every household twice a year. The autumn edition includes an annual report highlighting achievements.
- Periodic reports are produced on Overview and Scrutiny function activity.
- Key decisions are published in the schedule of executive decisions.

Engaging comprehensively with institutional stakeholders

- The leisure management partnership board meets regularly to oversee the operation of the council's leisure centres and pools.
- Staff consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required.
- Key partnerships are periodically reviewed through the internal audit plan and the Financial Regulations and Financial Procedure Rules include advice and guidance which can assist officers in managing the key risks of partnership arrangements.
- Corporate guidance has been issued on consultation and public involvement mechanisms offering practical steps and advice.
- The council maintains links with the parish and town councils by regular attendance at the Lancashire Association of Local Councils (LALC) meetings.
- Clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively, e.g.; the health and wellbeing partnership.

Engaging with individual citizens and service users effectively

- The council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and are clearly articulated and disseminated.
- Arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements recognise that different sections of the community have different priorities and there are explicit processes for dealing with these competing demands.
- The council has undertaken significant stakeholder engagement as part of the preparation of the local plan.
- The 'life in Wyre' survey was refreshed during 2016.
- An action in the business plan for 2016/17 is to 'support elected members and parish and town councils to improve neighbourhoods' through empowering communities and encouraging active citizenship.
- The 'together we make a difference network' has recently been formed which is essentially asset based community development. This informal membership network led by the council is made up of council officers, elected members and partners from all sectors with the aim to enable local people to make a difference in their local communities.

Core Principle C – Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Defining outcomes

- The council has made a clear statement of its vision in its business plan (2015 – 2019) and uses this as a basis for corporate and service planning.
- The business plan includes a set of measures defining outcomes which are reported quarterly to the Overview and Scrutiny Committee.
- There is an annual review of performance which is publically reported.
- There are effective arrangements to deal with failure in service delivery.
- There is a corporate complaints procedure with annual reports being available on the website.
- The medium term financial plan (MTFP) / revenue estimates and capital programme are soundly based and are designed to deliver the council's strategic priorities.
- The value for money indicators are reviewed annually with the results being reported to Cabinet.
- The council's approach to value for money is reflected in the annual efficiency statement reported to Cabinet with targets and achievements being regularly reported.
- Strategic and operational risk registers are maintained and workshops are held throughout the year to review current risks and identify new risks. The risk registers are reviewed quarterly, in line with the business plan and the efficiency programme.

Sustainable economic, social and environmental benefits

- The council embraces community engagement and involvement and encourages neighbourhood engagement and works collectively with ward councillors, parish and town councillors, community groups and other partner organisations to identify local issues and priorities.
- There is a health plan for Wyre reflecting the priorities of the Fylde and Wyre clinical commissioning groups and the Fylde and Wyre health and wellbeing partnership.
- Relationships have been established with clinical leads from the Blackpool, Preston, Morecambe Bay and Fylde and Wyre clinical commissioning groups with a view to influencing service provision.
- The business plan is subject to an equality impact assessment on an annual basis and equality objectives are established and published on the website.
- The development of the local plan has been subject to extensive consultation.
- Individual capital projects are equality impact assessed promoting access to services.
- Procedures are in place to address conflicting interests e.g. the call-in-procedure.

Core Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes.

Determining interventions

- There are effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- Those making decisions are provided with information that is fit for purpose and relevant.
- Limits of lawful activity are recognised by the ultra vires doctrine and managers strive to utilise their powers to the full benefit of the community.
- Proper, professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.

Planning interventions

- The council's business plan is refreshed annually and is subject to review by Overview and Scrutiny prior to approval by Full Council. The business plan is published annually.
- Business plan actions are managed by officers and monitored by Cabinet and Overview and Scrutiny.
- The business plan is developed taking into account the life in Wyre survey and other demographic information, including locality plans, neighbourhood profiles, state of Wyre reports and public health reports.
- Service quality is regularly reviewed via the council's formal complaints system, the waste management partnership board and the leisure management partnership board.
- The business plan includes a set of measures which are reported quarterly to the Overview and Scrutiny Committee.
- The MTFP, revenue estimates and capital programme are published annually and are key documents for forecasting our budget requirements and planning ahead.
- An efficiency programme compliments the MTFP ensuring sustainability going forward.

Optimising achievement of intended outcomes

- The MTFP is agreed annually in September and updated regularly with a revised projection being presented to Management Board and published with the revenue estimates in February.
- The MTFP, revenue estimates and capital programme are soundly configured to meet the requirements of the business plan.
- The MTFP sets out the framework for corporately managing the council's resources in the years ahead.

Core Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Developing the Entity's capacity

- There is an agreement between the council and the YMCA identifying arrangements for the management of the council's health and fitness centres. A recent internal audit review gave an overall opinion of 'good'.
- Effective mechanisms exist to monitor service delivery through the Overview and Scrutiny arrangements and quarterly performance reports highlight where corrective action is necessary.
- A key activity in the council's business plan is to continue the programme of works to maximise the use of our assets.
- The council subscribes to the APSE advisory service, with a view to benchmarking its front line services.
- Benchmarking is undertaken via relevant Lancashire professional groups e.g. revenues, audit, finance etc.
- The council plays an active role in the Fylde and Wyre health and wellbeing partnership.
- A full review of the council's performance appraisal system is currently in progress.
- An on-going third-tier management training programme 'aspiring leaders for the future' is in place which ensures managers have the required skills and support to carry out their roles and allows the council to plan for succession.
- The council attends the Lancashire waste partnership group and is currently evaluating options following the WRAP report commissioned by LCC.
- The council regularly benchmarks member's allowances as part of the review undertaken by the independent remuneration panel.

Developing the capacity of the entity's leadership and other individuals

- The Chief Executive is responsible and accountable to the council for all aspects of operational management and is required to attend regular performance appraisal meetings with the Leader of the Council.
- The Head of Finance (Section 151 officer) is responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.

- There is an established pay and grading structure for employees referred to as the job evaluation system and a process for appeals.
- There is also a clearly defined management structure and a scheme of delegation to officers, which is underpinned by the members' code of conduct and a protocol for officer / member relations.
- There are published job descriptions and established protocols, which ensure that the Leader and Chief Executive establish their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.
- Financial Regulations and Financial Procedure Rules are reviewed annually by the Audit Committee.
- Career structures are in place for members and officers to facilitate succession planning.
- The councillor development programme and councillor development strategy is regularly reviewed and includes a skills framework for all elected member roles and responsibilities.
- Effective management arrangements are in place both at the top of and throughout the organisation to support the health and wellbeing of officers.
- The council assesses the skills required by members and officers and makes a commitment to develop these to enable roles to be carried out effectively.
- The council ensures that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the council.
- Training programmes are tailored to meet individual needs and there are opportunities for members and officers to update their knowledge on a regular basis.
- All elected members and staff have personal development plans.
- Skills are developed on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.
- Arrangements are in place via the volunteering initiative to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority.
- A competency framework exists to ensure that all staff have appropriate skills enabling them to deliver top quality services.

Core Principle F – Managing risks and performance through robust internal control and strong public financial management.

Managing risk

- Risk management is embedded into the culture of the council, with members and managers at all levels recognising that risk management is part of their job.
- The risk management policy is agreed annually by the Audit Committee in September.
- Strategic and operational risk registers are maintained and workshops are held regularly to review current risks and identify any new risks.
- Information asset registers are being developed ensuring compliance with legislation and demonstrating best practice in information governance

Managing performance

- The council has an Overview and Scrutiny function which encourages constructive challenge and enhances the council's performance overall.
- There are effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- There is a calendar of dates for submitting, publishing and distributing timely reports to the council's committees.
- Performance measures are published within the autumn edition of Wyre Voice.

Robust internal control

- An effective internal audit function is resourced and maintained.
- Internal audit reviews are conducted under the Auditing Practices Board guidelines and in line with Public Sector Internal Audit Standards (PSIAS).
- In accordance with the Accounts and Audit Regulations 2015, an annual assessment of the council's systems of internal audit is carried out each year using the PSIAS and the checklist provided in the Local Government Application Note published by CIPFA.
- The Head of Governance (Chief Internal Auditor) has developed a quality assurance improvement programme to ensure the continual improvement of the internal audit service.
- An effective Audit Committee is in place, which is independent of the Executive and the Overview and Scrutiny function.
- The Audit Committee undertakes an annual review of its own effectiveness against the checklist in the CIPFA guidance 'effective audit committees' and is satisfied that it meets the required standard.
- The Head of Governance (Chief Internal Auditor) has over 16 years internal audit experience and is professionally qualified. They are a certified and chartered auditor (CIA, CMIIA) and also hold a Qualification in Internal Audit Leadership (QIAL).
- The implementation of internal audit report recommendations is monitored by the Head of Governance (Chief Internal Auditor) and the Audit Committee.
- Counter-fraud policies are in place and reviewed annually. The effectiveness of these policies is reviewed on a regular basis.
- A review of the council's information governance arrangements was completed in 2017. An action plan is now in place to address any weaknesses in compliance.
- Robust whistleblowing arrangements are in place.

Managing data

- The council uses an on-line e-learning package to promote information security and the Data Protection Act.
- The council complies with the Data Protection Act and regular security sweeps take place to test compliance. The council has also appointed a Senior Information Risk Owner (SIRO) who is responsible for the council's data.
- Secure arrangements are in place for the transfer of sensitive data.
- Information is stored securely and confidential waste disposal arrangements are in place.
- Key performance data is regularly reviewed for accuracy by internal audit.

Strong public financial management

- Those making decisions are provided with information that is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications.
- An up to date register of gifts and hospitality is held and is annually inspected by the council's Audit Committee and the Monitoring Officer.
- There is an established pay and grading structure in place for employees.
- Financial Regulations and Financial Procedures Rules are reviewed annually in September and any changes are presented to the Audit Committee for approval.
- Registers of interests are maintained for both officers and elected members.
- The External Auditors issued an unqualified value for money conclusion for the 2015/16 financial year.

Core Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Implementing good practice in transparency

- The council complies with the Local Government Transparency Code 2015. A recent internal audit review provided substantial assurance that controls were in place and working as intended.
- Wyre Voice, an information leaflet produced by the council is delivered to every house in the Borough.
- An easy to read 'narrative report' accompanies the Statement of Accounts.

Implementing good practices in reporting

- Annual presentations are delivered for elected members concerning the council's finances as part of the production of the revenue estimates, the capital programme and the update of the MTFP.
- A set of questions and answers supports the financial position at the year-end illustrating key issues for members of the Audit Committee and the relevant stakeholders.
- An annual review of performance is publically reported.
- The annual efficiency statement is published alongside the revenue estimates as part of the report to Cabinet in February.
- The annual governance statement is regularly reviewed by the Section 151 Officer and the Head of Governance (Chief Internal Auditor). The action plan is monitored by the Corporate Management Team and reported to Audit Committee.
- The value for money indicators are reviewed annually with the results being reported to Cabinet.
- Project management information is available for elected members to view using the TEN system.
- Executive update reports are prepared and delivered by portfolio holders to Full Council.

Assurance and effective accountability

- The council ensures that all priority one audit recommendations and a sample of priority two and three recommendation are subject to a follow-up audit ensuring that recommendations are acted upon.
- An effective internal audit function is resourced and maintained enabling them to deliver an annual internal audit opinion.
- In accordance with the Audit and Account Regulations 2015, an annual assessment of the effectiveness of the internal audit function is completed.
- The Audit Committee work programme provides the opportunity for the Head of Governance (Chief Internal Auditor) to have a private and confidential discussion with the Audit Committee members.
- The council participated in a LGA peer challenge in March 2017.
- The council's last RIPA inspection was undertaken on the 4 November 2015 and all recommendations made have subsequently been implemented.
- The recent SOCITM inspection of the authority's website resulted in a 4 star rating.
- Key partnerships are periodically reviewed through the internal audit plan with delivery via third parties being included in the assurance reviews undertaken annually.
- The Financial Regulations and Financial Procedure Rules include partnership guidance which can assist officers in managing the key risks of any partnership arrangements.
- Clear terms of reference exist for the key partnerships, clarifying arrangements for accountability, for example the waste management partnership, the leisure management partnership, Fylde and Wyre health and wellbeing board and the community safety partnership.

6.0 RISK MANAGEMENT

- 6.1 The council has adopted a corporate risk management policy and operates a fully integrated risk management system across the organisation. Relevant officers have received training in risk management enabling the production of operational risk registers with associated risk action plans, which are reviewed on a regular basis.
- 6.2 Each year the Council's Corporate Management Team (CMT) holds a strategic risk workshop, to identify and prioritise strategic risks and to produce an action plan. Significant business risks that may impact upon the council's priorities have been identified and assessed, and appropriate control measures are in place. The report and associated action plan is presented to Management Board and Audit Committee and progress is monitored on a regular basis through the CMT.

7.0 REVIEW OF EFFECTIVENESS

- 7.1 In accordance with the Accounts and Audit Regulations 2015, the council must ensure that it has a sound system of internal control which:

- a) facilitates the effective exercise of its functions and the achievement of its aims and objectives,
 - b) ensures that the financial and operational management of the council is effective; and
 - c) includes effective arrangements for the management of risk.
- 7.2 The council is also responsible for conducting each financial year a review of effectiveness of the system of internal control.
- 7.3 The Head of Finance (Section 151) Officer is responsible for the proper administration of the council's financial affairs. This includes responsibility for maintaining and reviewing Financial Regulations and Financial Procedure Rules, to ensure they remain fit for purpose, submitting any additions or changes necessary to the Audit Committee for approval and reporting, where appropriate, breaches of the Regulations to the Cabinet and/or the Council.
- 7.4 The Head of Finance (Section 151 Officer) also has responsibility for:
- overseeing the implementation and monitoring the operation of the Code of Corporate Governance;
 - maintaining and updating the Code in the light of latest guidance on best practice;
 - reporting annually to the Corporate Management Team and to Members on compliance with the Code and any changes that may be necessary to maintain it and ensure effectiveness in practice
- 7.5 Wyre Council's internal audit service, via a specific responsibility assigned to the Head of Governance (Chief Internal Auditor) is required to provide an independent and objective opinion to the council on its risk management, governance and internal control environment. The Chief Internal Auditor's Annual report for 2016/17 concluded that the council has in place satisfactory controls to be able to maintain an adequate and effective internal control environment.
- 7.6 The review of compliance with the governance framework has involved a review of the latest position on the core principles by the Head of Finance (Section 151 Officer), the Head of Governance (Chief Internal Auditor) and the Audit Committee.

8.0 VALUE FOR MONEY CONCLUSION

- 8.1 The External Auditors issued an unqualified value for money conclusion in their most recent review for 2015/16. This means that they are satisfied that the council has proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness. To arrive at that conclusion they looked at the councils financial governance, financial planning and financial control processes, as well as reviewing how the council prioritises its resources, improves efficiency and productivity.

9.0 SIGNIFICANT GOVERNANCE ISSUES

- 9.1 Given that the council does not have a full time dedicated information governance resource, limited progress has been made in implementing the information governance recommendations first issued in June 2014. The new General Data Protection Regulations come into force in May 2018 and it is highly likely that if more resources are not allocated to information governance the council will not be compliant.
- 9.2 Following the workshop with the council's key officers, minor issues have also been identified which will be documented in an action plan that will be monitored by Corporate Management Team and reported to the Audit Committee in November each year.

10.0 REVIEWING AND REPORTING ARRANGEMENTS

- 10.1 The CIPFA/SOLACE guidance recommends that authorities should undertake annual reviews of their governance arrangements to ensure continuing compliance with best practice as set out in the framework.
- 10.2 Each year, normally in April, a governance workshop is held with key officers of the council who have the most appropriate knowledge, expertise and levels of seniority to consider the extent to which the organisation complies with the principles set out in the good governance framework. The principles are discussed in length and evidence is put forward to demonstrate how the council is meeting each of the principles. It is also an opportunity to identify any issues or gaps that could lead to a weaker governance structure. Following this meeting, the AGS and an action plan of minor issues is submitted for consideration by the Leader and Chief Executive who then sign to certify they are aware of the governance issues within the Authority and of the measures that are required to improve the controls around the council's governance framework.

11.0 CERTIFICATION

As the Leader of the Council, I am aware of the governance issues within this Authority and of the measures that are needed to improve the control environment. Overall, my assessment of the control environment as at 31st March 2017 is satisfactory.



COUNCILLOR P GIBSON
LEADER OF THE COUNCIL

As the Chief Executive, I am aware of the governance issues within this Authority and of the measures that are needed to improve the control environment. Overall, my assessment of the control environment as at 31st March 2017 is satisfactory.

Gann, Payne

G PAYNE
CHIEF EXECUTIVE

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