

# **ANNUAL GOVERNANCE STATEMENT 2016/17**

**Version 1**  
**June 2017**



place people pounds



## **Introduction**

Both the Leader and the Chief Executive recognise the importance of having a system of rules, policies and procedures in place to ensure that information is available to help, shape and direct the way in which services are managed and delivered.

Each year, the Council is required to produce an Annual Governance Statement (AGS) which explains how its corporate governance arrangements have been working in practice.

The AGS in respect of 2016/17 was presented to the Audit Committee at its meeting in June 2017, along with a new Local Code of Governance for 2017, for their review and comment prior to submission of the AGS to the Leader and Chief Executive for formal sign off alongside the Annual Accounts.

## **Scope of responsibility**

### **This statement covers the period 1 April 2016 to 31 March 2017**

Wycombe District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Wycombe District 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.

This statement explains how Wycombe District Council meets the requirements of the Accounts and Audit Regulations, which are made under the Local Audit and Accountability Act 2016, in that it must have in place a sound system of internal control that:

- (a) facilitates the effective exercise of the Council's functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the Authority is effective; and
- (c) includes effective arrangements for the management of risk.

In discharging this overall responsibility, Wycombe District Council is responsible for putting in place proper arrangements for the governance of its affairs.

## **The purpose of the governance framework**

Our governance framework comprises the systems and processes, and cultural values, by which the Authority is directed, controlled and its 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.

Our system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate risks of failure to achieve 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 on-going process designed to

identify and prioritise the risks to the achievement of Wycombe District Council 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.

This governance framework has been in place at Wycombe District Council for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

### **The governance framework**

In 2016/7, new guidance was issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (Solace) "Delivering Good Governance in Local Government Framework 2016 Edition" (referred to as Delivering Good Governance) and this formed the basis of the Councils Local Code of Governance as well as this AGS. The guidance is split into seven core principles which are detailed below:

- 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 aspects.
- 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.
- G Implementing good practice in transparency, reporting, and audit to deliver effective accountability

## **Commitments**

It is important that Wycombe District Councils approach to effective governance is understood by all. The following 7 goals demonstrate Wycombe District Councils' approach to good governance.

- ❖ Clearly set out Wycombe's objectives and what it is trying to achieve.
- ❖ Measure and publicise how effective Wycombe's services are and take action to improve where performance is below target.
- ❖ Making best use of public money by taking prudent and risk based financial decisions and measuring the value for money it achieves.
- ❖ Clear Constitution that sets out who can take which decisions.
- ❖ Members and Officers behaving in ways that reflect Wycombe's values and high standards of conduct.
- ❖ Record and publish the decisions that Wycombe takes and the reasons for them and where possible makes the most important decisions in public.
- ❖ Have in place a scrutiny function that holds the Executive to account.

## **Review of effectiveness**

Wycombe District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, Internal Audit annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

Each year all Heads of Service and their Management Teams are required to complete and sign-off with their line manager the Annual Assurance Statement. This return identifies whether the service area has full, partial or non-compliance, based on evidence, with improvement tasks identified as appropriate. The statement for the period 1 April 2016 to 31 March 2017 covered the following areas, against which the level of compliance is recorded.

1. Service objectives - full compliance.
2. People - partial compliance.
3. Use of resources –partial compliance
4. Health and safety – full compliance
5. Information governance and records management – partial compliance.
6. Business risk and business continuity –partial compliance
7. Transparency and accountability – full compliance.
8. Partnership working – full compliance
9. Project management – partial compliance
10. Contracts – full compliance.

## **KEY THEMES ARISING FROM THE 2016/17 AAS PROCESS**

Of the five areas where partial compliance was recorded, these are briefly explained below:

### **People**

Partial compliance in that job descriptions (JD) need to be reviewed.

### **Use of Resources**

Partial compliance in regards to the Services being able to demonstrate performance levels across the range of services provided.

Partial compliance in that further work is required to inform contractors /suppliers of the controls and procedures that are to be followed in the event of a fraud being perpetrated against the Council.

### **Information Governance and Records Management**

Partial compliance in that further work was required in relation to the management of paper and electronic records which would enable both the ease of location and disposal of records at the appropriate time.

### **Business Continuity**

Partial compliance in that further work was required in ensuring that services had made adequate arrangements to ensure continued service delivery and that the arrangements have been communicated to all relevant staff.

### **Project Management**

Partial compliance in that Lessons Learnt reports are not produced and shared corporately for projects completed within a Service, during the year.

## **INTRODUCTION OF A NEW LOCAL CODE OF CORPORATE GOVERNANCE**

It is important to acknowledge that many of the key governance mechanisms referred to in the Local Code are relatively static in terms of currency and do not tend to alter over time.

However it is the review of their effectiveness in practice rather than a review of their existence that demonstrates the efficacy of the Council's AGS for 2016/7.

Detailed below are the results of the review of the Councils Local Code of Governance.

<b>No</b>	<b>Area for Improvement</b>	<b>Owner</b>
1	Consider introducing an Annual report outlining the work of the Standards Committee, detailing: training provided number of referrals and outcomes, any outside assurance as regards operational processes.	District Solicitor
2	Reminder to be issued to All Members of the need to ensure that all disclosures are made.	District Solicitor
3	Consideration is given to compiling an annual report that details, where as a Council, it has learnt from the outcome(s) of a complaint.	Head of Democratic Legal and Policy
4	Review to be undertaken as regards the: currency of the WB policy, approval process: Member and Officer awareness.	Head of HR, ICT & Shared Support Services
5	Further work to be undertaken in 2017/18 in the Democratic, Legal & Policy Team consisting of a review covering both the Constitution and the wider decision making & governance arrangements.	Head of Democratic Legal and Policy
6	Review to be undertaken of current corporate Plan objectives to refresh and update.	Head of Democratic Legal and Policy
7	Review to be undertaken to assess the purpose and applicability of the quarterly financial and performance process.	Head of Finance and Commercial (S151)
8	Review to be undertaken to refresh and update the current Communications policy.	Head of Democratic Legal and Policy
9	Review to be undertaken to refresh and update the current Engagement strategy and toolkit	Head of Democratic Legal and Policy

The publication of our Local Code and the Annual Governance Statement meets the requirement of the Accounts and Audit (England) Regulations 2016, and the AGS accompanies the Annual Financial Accounts report which is available on the Council's website.

## **OVERALL ASSESSMENT**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and will ensure that the Identified Areas for Improvement are implemented so as continually improve our processes and procedures. .

**Signed**  
**Leader of the Council**

**Chief Executive  
On behalf of Wycombe District Council**

**Date:**

DRAFT

DRAFT