

ANNUAL GOVERNANCE STATEMENT 2018/19



Version 1
May 2019

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 and the Local Code of Governance in respect of 2018/19 was presented to the Audit Committee at its meeting in May 2019, 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 2018 to 31 March 2019

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.

Impact of modernising local government

Following the Government's decision in November 2018, to abolish Wycombe District Council by 31st March 2020 and to create a new Unitary Council from 1st April 2020, has had a significant impact on the time and resources that are both required and available to implement previously agreed improvement areas. This is reflected in the commentary contained in the heading: Local Code of Corporate Governance and Review of Effectiveness, on page 4 of this report.

In addition as the Council moves into 2019/20 this will be an exceptional year, however resources will be available to ensure that there is not a decline in the key assurance processes and we continue to be mindful of our overarching corporate governance responsibilities and we will ensure that Wycombe continues to operate within the regulatory framework up till the point of abolition.

Wycombe District Council needs to be able to ensure that not only are its governance arrangements sound but are capable of being evidenced as being sound.

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 2019 and up to the date of approval of the statement of accounts.

The governance framework

In 2016, 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 Council's 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.

Local Code of Corporate Governance and 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.

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 2018/9.

During 2018/19, Officers have fully implemented 3 of the 7 Areas for Improvement from the review of the Local Code in 2017/18, these being:

1. Annual report summarising service improvements is produced as a result of feedback the Council has received.
2. Progress is reported on an annual basis to assess the implementation, delivery and monitoring of the refreshed corporate plan.
3. Progress is now reported as part of the quarterly financial and performance process.

However, the remaining 4 areas of the agreed areas for improvement from previous action plans have not been delivered, in part due to the long lead times compared to the benefits that would be achieved for a Council that will be abolished by 31st March 2020 and secondly resources have been redirected during 2018/19 in order to prepare for the introduction of the new Unitary Council in April 2020.

Detailed below are the improvement areas that will not be delivered:

- Review covering both the Constitution and the wider decision making & governance arrangements.
- Review to assess the purpose and content of the current Communications policy.
- Review to refresh and update the current Engagement strategy.
- The commissioning of a Household Survey during 2018/19.

Assurance has been provided from the following officers:

- Chief Executive and Corporate Director as regards an assurance as regards organisational governance.
- Monitoring Officer as regards an assurance in relation to the Councils Legal governance arrangements.
- Section 151 Officer as regards an assurance in relation to the Councils financial governance arrangements.

The publication of our Annual Governance Statement and Local Code 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.

Leader of the Council

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

Date:

Date:

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