

## ANNUAL GOVERNANCE PROCESS

The Accounts and Audit Regulation 2015 requires each authority each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts.

The purpose of the annual governance statement is for an authority to report publicly on its arrangements for ensuring that its business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for.

The authority needs to have appropriate evidence to support the answers given on the statement. Otherwise, it is likely that a qualified opinion will be issued by the External Auditor, when they carry out their review.

When a Council is well run, the process of completing the annual governance statement should be straightforward.

Councillors must have confidence that the statements made on its return are soundly based, before being asked for approval.

This means, that a number of policies and procedures need to be in place. They then need to be followed and reviewed / updated during the year to support assertions made on the governance statement.

A problem occurred recently relating to the approval of the councils assets. This resulted in a number of urgent council meetings having to be arranged to approve the value of the councils assets. Much time and resources were expended on what should have been a simple matter, but became a problem because it was not looked at during the year. This was simply an example of the fire fighting that occurs when the various building blocks are not in place, to help ensure a Parish Council is well run.

In the past, due to staffing issues and the lack of a Responsible Financial Officer , the processes followed have not been as robust as expected. This situation has improved so hopefully we go into 2017/18 with more optimism.

Officers have indicated that a number of the policies and procedures that underpin the system of internal control, are intended to be reviewed. I would hope that areas such as Financial Regulations: Standing Orders: Risk Assessments: Council Assets; Insurance; Code of Conduct; Complaints Procedures; Compliance with the Transparency Code: Investments: Budgetary Control; etc will be reviewed and brought to Councillors attention for approval. More importantly, these policies / procedures need to be followed.

The purpose of this report is to help embed our Governance arrangements. It is difficult for any one person to lay down and remember which policies need to be reviewed and when. Time can simply slip away without realising that policies /

procedures have been forgotten. There is also a problem if that person leaves, taking their knowledge with them.

I would recommend that our Responsible Financial Officer in conjunction with the Clerk be tasked with reporting to the next meeting on:-

- 1) Details of the policies and procedures that are intended to be reviewed during the year;
- 2) Noting their frequency e.g. Annual, Quarterly, Monthly, etc;
- 3) Noting the planned dates for review to aid monitoring;
- 4) Such dates being annotated on a calendar;

Furthermore, that Members monitor progress made against the calendar, by becoming a regular agenda meeting item, until these processes are embedded.