

4 September 2018

Report of	Interim Director of Resources Colchester Borough Homes	Author	Brian Richardson 
Title	Annual Report and Governance Statement		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 The purpose of the report is for the Governance and Audit Committee to consider and comment on the Governance Assurance Statement of Colchester Borough Homes. This report comes to the Committee each year.

2. Recommended Decision

- 2.1 The Committee considers and comments on the Governance Assurance Statement of Colchester Borough Homes.
- 2.2 The Committee accepts the assurance provided by Colchester Borough Homes regarding its governance arrangements throughout 2017/18.

3. Reason for Recommended Decision

- 3.1 Colchester Borough Homes is a wholly owned company of the Council. As such:
- Its accounts are consolidated into the Council's financial statements
 - Disclosures regarding the adequacy and effectiveness of its governance arrangements are included in the Council's Annual Governance Statement.
- 3.2 Colchester Borough Homes has therefore provided the Council with its own Annual Governance Statement for 2017/18 as evidence of how well its arrangements are operating (Appendix 1).
- 3.3 The Annual Governance Statement will inform the Council's Governance Statement.

4. Background Information

- 4.1 Cllr Chapman, a member of Colchester Borough Homes' Finance and Audit Committee, and the Interim Director of Resources will present this report to Committee and respond to any questions relating to it.
- 4.2 The Finance and Audit Committee of Colchester Borough Homes also takes the following actions to assure itself that the Company has proper and secure arrangements in place:
- Each year it agrees an audit plan for a three-year period on a risk based approach
 - It receives regular updates on the progress against this plan throughout the year from Internal Audit
 - It carries out an annual self-assessment of how it is functioning based on CIPFA guidelines
 - It considers and recommends the Annual Governance Statement to the Board
 - It monitors the actions coming out of the Annual Governance Statement
 - It produces the Risk Management Strategy and monitors the key strategic risks of the Company

5. Head of Internal Audit Opinion 2017/18

- 5.1 Set out below are some key information from the Internal Audit Opinion Report:

- The Audit Plan covered 10 internal audit projects including all the key financial areas (these were amalgamated into one audit in the year). One of these audit projects was in progress at the year end.
- Assurance gradings for the 9 completed projects were as follows:

Assurance Grading	No.
Full	1
Substantial	8
Limited	0

- Plans have been drawn up to deal with any areas of weakness identified by these audits.
- **The overall Internal Audit Opinion is that substantial assurance on internal controls within the financial and operating systems operating throughout the year are in accordance with proper practice.**

7. Standard References

- 7.1 There are no particular references to the Strategic Plan; consultation or publicity considerations or financial; community safety or health and safety implications.

8. Risk Management Implications

- 8.1 Failure to operate robust governance arrangements can potentially lead to poor management, performance, stewardship of public engagement and, ultimately, poor outcomes for citizens and service users. It increases the risk that the company's priorities will not be delivered. Reviewing the governance arrangements each year and identifying and addressing the key issues minimises these risks.

Appendices

Appendix A – Colchester Borough Homes Annual Governance Statement