

REVIEW OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT 2018/19

Summary: To present the annual review of the Board's Corporate Governance Framework and the Annual Governance Statement 2018/19.

Recommendations:

- (a) That the Board agrees the Corporate Governance Review; and
- (b) that the Board approves the Annual Governance Statement 2018/19.

Officer Ref: Martin Lane, Director

Key Issues

1. Board Officers and the Executive Committee have completed their statutory annual review of the organisation's governance arrangements.
2. The review has concluded that the Board has sound systems of internal control, and that any issues are being addressed appropriately.
3. Potentially the most significant forward item for the Board relates to the review of National Park and AONB status, and the impact this may have on the Conservation Board (Item 1 of **Appendix 'B'**).

Background

4. The Board is required to carry out an annual review of the effectiveness of its system of internal control, which facilitates the effective exercise of the Board's functions and which includes arrangements for the management of risk.
5. In June 2012, the Board adopted a revised Code of Corporate Governance and Framework, with further amendments in 2014. The Framework is used as the basis for this review.
6. The Executive Committee reviewed, noted and approved the Annual Internal Audit Report and opinions at its meeting in April 2019. A copy of the report is attached at **Appendix 'A'**. At its Meeting in May 2019, the Executive Committee approved the contents of this governance review. The external auditor's report and opinion for 2017/18 were reported to Board in March 2019, whilst their findings have been addressed in full.
7. As in previous years, officers carried out this review using their knowledge and experience, and information from documents and processes, audits and risk reports, together with observations from members, officers and partners.

The results of this process are set out in **Appendix 'B'**. The appendix demonstrates that the Board has sound systems of internal control. Appropriate issues arising from the review have been identified and disclosed, and actions proposed as appropriate.

8. The Annual Governance Statement, which forms Section 1 of the statutory Annual Governance and Accountability Return, is attached at **Appendix 'C' (i)**. It contains a series of statements which the Board is asked to approve. The Executive Committee and Board Officers believe that the answer to all the points should be affirmative, except in respect of the timing of the public inspection of the 2017/18 accounts, for which an explanatory note is attached at **Appendix 'C' (ii)**.

Supporting Papers:

Appendix 'A' - Annual Internal Audit Report

Appendix 'B' - Review of Corporate Governance Framework 2018/19

Appendix 'C' (i) - Annual Governance Statement 2018/19

Appendix 'C' (ii) - Explanatory Statement