



**Governance & Audit
Committee**

23rd July 2019

**Subject: Annual Governance Statement 2018/19 and Action Plan.
Closure of the Annual Governance Statement 2017/18 Action Plan.**

Report by:

Executive Director of Resources

Contact Officer:

Corporate Policy and Governance Manager &
Deputy Monitoring Officer

Purpose/Summary:

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To present to Members the Annual Governance
Statement for 2018/19 and Action Plan.
Closure of the Annual Governance Statement
2017/18 Action Plan.

**RECOMMENDATION(S): 1. That Members approve the Annual Governance
Statement for 2018/19 and associated Action Plan.
2. That Members sign off the Action Plan for 2017/18 as completed.**

IMPLICATIONS

Legal: The Annual Governance Statement must comply with the Accounts and Audit (England) Regulations 2011

Financial: FIN/42/20/SL There are no financial implications arising from this report.

Staffing: None

Equality and Diversity including Human Rights: None

Risk Assessment: None

Data Protection Implications: None

Climate Related Risks and Opportunities: None

Title and Location of any Background Papers used in the preparation of this report:

Wherever possible please provide a hyperlink to the background paper/s
If a document is confidential and not for public viewing it should not be listed.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. Background

1.1 The Annual Governance Statement is a formal statement under the Accounts and Audit (England) Regulations 2011, which details the Council's governance arrangements and issues for the previous year as an annual report of governance.

1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that we make the best use of all resources.

1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, "doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner." (CIPFA 2007).

1.4 The Council is required to produce an Annual Governance Statement for approval by 31st July each year, to accompany the Council's Statement of Accounts.

1.5 The Annual Governance Statement includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.

2 Developing the Annual Governance Statement

2.1 Sources of information used to develop the Statement include:

- The development of the framework itself
- The Combined Assurance Report 2018/19
- Internal Audit Annual Report
- Internal Audit "limited assurance" reports
- The management of strategic and service risks
- External Audit Annual Audit Letter
- Complaints and lessons learnt
- Consultation results
- Ombudsman investigations
- Corporate functions assurance statements – Legal, Health & Safety, ICT, Procurement
- Service Managers – any service or performance issues, including signed assurance that the internal control and governance assurance framework has been upheld, covering:
 - Review of key controls
 - Budget setting and allocation of resources
 - Performance management
 - Risk management
 - Financial and legal implications

3 The Framework

3.1 The Governance Framework follows the seven principles of good governance as set out in CIPFA's "Delivering Good Governance in Local

Government Framework” (2016 edition) and is formed by the systems and processes, standards, policies and activities through which it accounts to, engages with and leads the community.

3.2 Under each of the principles we have identified improvements that have taken place during the year, activity to support the principle, any significant issues and actions that will be undertaken to address any issues or to develop the principles further.

4. Annual Governance Statement 2018/19

4.1 The Statement for 2018/19 accompanies this report.

5. Issues to be Addressed

5.1 Issues that have been identified as requiring attention to ensure more robust governance and which will be addressed in the coming year via the Action Plan are set out below:

- I. **Risk Management** – Assess the Council’s overall ‘risk appetite’ and subsequently undertake a review of Strategic Risks and develop a means of ensuring that project related risks are consistently recorded and managed
- II. **Peer Review** - Prepare for and hold a Peer Review to set improvement targets and seek third party accreditation against a nationally recognised framework
- III. **Governance Review** - Work on the findings of the Governance Review, undertaken by Internal Audit, to ensure the Council’s culture and values are consistently understood and exhibited
- IV. **Member Induction & Training** - Induct new and returning Councillors and implement the Member Development Training Plan

5.2 To address the issues detailed above, an action plan has been developed containing actions which when completed will realise a satisfactory state of affairs. The action plan is the main vehicle through which Members of the Governance & Audit Committee are provided with updates on progress against the completion of the required actions.

5.3 The Action Plan also accompanies this report.

6. Issues Deemed Closed – Annual Governance Statement Action Plan 2017/18

6.1 The issues which were identified as matters to be addressed via the AGS Action Plan 2017/18 and are now deemed to be completed are detailed below. Members are asked to review and determine whether they are satisfied that sufficient progress has been made to warrant completion.

- I. **Commercialism** – to ensure that related decision making and governance arrangements are effective and transparent and form part of the Monitoring Officer’s oversight and reporting duties

- II. **Wellbeing Contract** – implementation of the new service must be closely monitored, partnership working arrangements must be effective and the intended outcomes for service users must be understood and achieved
- III. **Review of Challenge & Improvement Committee** – to ensure that the Committee is effective in its operations and performs a robust scrutiny function
- IV. **New Corporate Plan (2019-2023)** – the new Plan must clearly set out the strategic aims of the Council and the outcomes it seeks, based on the issues and opportunities facing the District
- V. **PCI DSS Processes** – to achieve compliance with industry standards
- VI. **Value for Money** – to complete VfM assessments across service areas to enable senior management to set clear priorities for improvement

6.2 The 2017/18 Action Plan is attached for review and sign off. All actions have been completed.

7. Recommendation

7.1 Members are asked to:

1. Approve the Annual Governance Statement for 2018/19 and associated Action Plan.
2. Sign off the Action Plan for 2017/18 as completed.