



Governance & Audit Committee
20th June 2017

Subject: Draft Annual Governance Statement 2016/17

Report by:	Director of Resources – Ian Knowles
Contact Officer:	Ian Knowles
Purpose / Summary:	To present to Members the draft Annual Governance Statement for 2016/17

RECOMMENDATION(S): That Members provide feedback on the draft Annual Governance Statement to feed into the final statement for approval at the July meeting of the Governance & Audit Committee

IMPLICATIONS

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

Financial: FIN/27/18

Staffing: None

Equality and Diversity including Human Rights: None

Risk Assessment: Risk management arrangements are part of corporate governance and issues raised under these arrangements have been included in the Annual Governance Statement

Climate Related Risks and Opportunities: None

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

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."

1.4 The Council is required to produce an Annual Governance Statement for approval by 30th September 2017 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 full 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 2016/17
- 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. Draft Annual Governance Statement 2016/17

4.1 The draft version is available for review at Appendix One. Members are asked to review its content and offer feedback to inform the production of a final version.

4.2 The draft is awaiting updates to a number of annual reports which will be presented to Members in the coming weeks. Once these have been concluded, the relevant links will be provided within the Statement.

5. Issues Deemed Closed

5.1 The issues which were identified as matters to be addressed via the AGS Action Plan 2015/16 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. **Strategic & Spatial Planning** – upon completion of the Local Plan and in light of the Greater Lincolnshire focus on strategic and spatial planning, we need to ensure West Lindsey’s growth needs and strategic planning duties are understood and addressed to include duty to co-operate with all relevant strategic planning areas including all Nottinghamshire authorities
- II. **Development Management** - to ensure issues relating to capacity; performance and customer care are addressed and sustainable improvements are realised
- III. **Strategic Programme Delivery** - an extensive capital programme has been agreed and we therefore need to ensure that robust and appropriate governance arrangements are implemented to oversee its delivery and financial management governance and other strategic considerations e.g. stakeholder engagement are adequate to support complex change
- IV. **Information Governance & Security** – to ensure that appropriate controls and policies are in place to provide on-going mitigation for the Council against the risk of cyber-crime and/or leakage of data and information
- V. **Intelligent Clienting** – to address the recognised issues across the CBL partnership and develop improved processes for customers and to review similar areas where good practice exists and apply learning to similar circumstances across the organization
- VI. **Selective Licensing** - to review the implementation, monitoring and initial performance of the selective licensing project in the Gainsborough South West Ward

6. Issues to be Addressed

6.1 At this stage of development of the Annual Governance Statement, a number of issues have been identified (as a result of scrutiny of the items listed at point 2.1 above) that are a potential cause for concern and therefore are proposed to form the Action Plan for the 2016/17. The issues for consideration are:

1. **Implementation of General Data Protection Regulations** – to ensure compliance with new regulations coming into force on 25th May 2018, which aim to increase cyber-security and the protection of data
2. **Political Governance** – to maintain and re-inforce the current high standards of behaviour across all levels of democratic governance within West Lindsey
3. **Partnerships** – to critically evaluate and maintain the effectiveness of the Council's key strategic partnerships
4. **Value for Money** – to complete value for money assessments across service areas and develop appropriate improvement plans to achieve greater value for money and increased productivity; wider usage of benchmarking and the creation of a value for money culture
5. **Delivery of Key Commercial and Community Based Projects** – to deliver at the required pace, key projects in support of the Corporate Plan which deliver benefits for the whole of the District
6. **Resilience and Capacity** – to balance the Council's capacity to deliver ambitious programmes with the operational and management responsibilities placed on staff
7. **Development Management** – (rationale to be provided by Chair)

6.2 Members are asked to review this list and advise as to whether they are in agreement with its contents or whether it requires amendment at this stage.

7. Next Steps

7.1 In draft form the Annual Governance Statement has been issued to both Internal and External Audit for review and comment. The results of this have helped to inform this version of the draft Statement; in particular the identification of any additional issues to be addressed via the Action Plan for 2016/17. Any further feedback will be used to inform the production of the final version of the Statement and the inclusion of any additional matters to be addressed via the Action Plan for 2016/17.

7.2 Once a definitive set of issues has been determined, an Action Plan will be worked on and will accompany the final version of the Annual Governance Statement 2016/17 for submission to the Governance and Audit Committee on 25th July 2017.