



Committee: Governance & Audit

Date: 25th July 2017

**Subject: Annual Governance Statement 2016/17 and Action Plan.
Closure of the Annual Governance Statement 2015/16 Action Plan.**

Report by:

Director of Resources – Ian Knowles

Contact Officer:

Ian Knowles

Purpose / Summary:

1. To present to Members the Annual Governance Statement for 2016/17 and Action Plan.
2. For Members to agree to the closure of the Action Plan relating to the 2015/16 Annual Governance Statement

**RECOMMENDATION(S): 1. That Members approve the Annual Governance Statement for 2016/17 and associated Action Plan.
2. That Members sign off the Action Plan for 2015/16 as completed (bar the actions pertaining to Development Management and Selective Licensing)**

IMPLICATIONS

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

Financial: FIN/52/18/TJB
None from this report

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:
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

Executive Summary

If the main body of your report is longer than 4 sides of A4 then you are required to complete an executive summary. Please summarise the entire content of the report, its purpose and the decisions you require on one side of A4.

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. Annual Governance Statement 2016/17

4.1 The Statement for 2016/17 is attached for review.

5. Issues to be Addressed

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

- i. **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
- ii. **Political Governance** – to maintain and re-inforce the current high standards of behaviour across all levels of democratic governance within West Lindsey
- iii. **Partnerships** – to critically evaluate and maintain the effectiveness of the Council's key strategic partnerships
- iv. **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
- v. **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
- vi. **Resilience and Capacity** – to balance the Council's capacity to deliver ambitious programmes with the operational and management responsibilities placed on staff
- vii. **Selective Licensing** – for Members to receive and consider a report evaluating the implementation and effectiveness of the scheme
- viii. **Development Management** – to receive the findings of an audit into the service, providing oversight and scrutiny to ensure subsequent recommendations and actions are appropriately considered and implemented

5.2 To address the issues detailed above an action plan has been developed containing SMART 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 is attached for review.

6. Issues Deemed Closed – Annual Governance Statement Action Plan 2015/16

6.1 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** – Local Plan completed and approved. Arrangements to effectively monitor delivery in place.
- ii. **Strategic Programme Delivery** – Growth Board established and key personnel assigned to programme manage key initiatives. Regular progress reporting to GCLT and Members. Use of external expertise utilised when appropriate to provide objective opinion and provide additional capacity
- iii. **Information Governance & Security** – Staff awareness training implemented and PSN certification received. Malware and anti-virus detection systems robust. Incident management and disaster recovery processes in place.
- iv. **Intelligent Clienting** – Substantial assurance finding received from audit report into Intelligent Client principles, function and application across the Council

6.2 The actions relating to **Selective Licensing and Development Management** have been carried over into the action plan for 2016/17. The rationale is offered below:

6.2.1 **Selective Licensing** – the scheme has been implemented with favourable outcomes to date. However, it is to remain on the action plan until a report reviewing and evaluating the scheme has been considered by the Prosperous Communities Committee

6.2.2 **Development Management** – It is acknowledged that the improvements wished for in terms of performance, resilience and staffing have materialised. However, the outcomes of a current audit into the service are awaited and it is considered prudent to maintain oversight via the action plan to ensure recommendations are appropriately considered and any required actions are effectively implemented

6.3 The 2015/16 Action Plan is attached for review and sign off.

7. Recommendation

7.1 Members are asked to:

1. Approve the Annual Governance Statement for 2016/17 and associated Action Plan.
2. Members sign off the Action Plan for 2015/16 as completed (bar the actions pertaining to Selective Licensing and Development Management)