



Committee: Governance & Audit

Date: 24th July 2018

**Subject: Annual Governance Statement 2017/18 and Action Plan.
Closure of the Annual Governance Statement 2016/17 Action Plan**

Report by:

Director of Resources – Ian Knowles

Contact Officer:

Ian Knowles

Purpose / Summary:

To present to Members the Annual Governance Statement for 2017/18

RECOMMENDATION(S):

1. That Members approve the Annual Governance Statement for 2017/18 and associated Action Plan.

2. That Members sign off the Action Plan for 2016/17 as completed (bar the action pertaining to Value for Money)

IMPLICATIONS

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

Financial: FIN 74-19 There are no financial implications contained within 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:

None.

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

x

Key Decision:

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

Yes

No

x

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 31st July 2018 to accompany the Council's Statement of Accounts. This is two months earlier than has previously been the case.
- 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 2017/18
 - 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 2017/18

- 4.1 The Statement for 2017/18 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:
 1. **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
 2. **Health & Wellbeing Service** – 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
 3. **Review of Challenge & Improvement Committee** – to ensure that the Committee is effective in its operations and performs a robust scrutiny function
 4. **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
 5. **PCI DSS Processes** – to achieve compliance with industry standards
 6. **Value for Money** – to complete VfM assessments across service areas to enable senior management set clear priorities for improvement
- 5.2 The action relating to **Value for Money** is being carried forward into the Action Plan for 2017/18. While some progress has been achieved through the development of a Value for Money handbook; awareness sessions; subscription to an on-line resource and the production of a number of assessments to test the principle, momentum has not been as consistent as desired. To address this, additional capacity has been secured to take ownership of this work and progress during 2018/19.
- 5.3 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.

5.4 The Action Plan also accompanies this report.

6. Issues Deemed Closed – Annual Governance Statement Action Plan 2016/17

6.1 The issues which were identified as matters to be addressed via the AGS Action Plan 2016/17 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.

1. **Implementation of General Data Protection Regulations** – action plan worked to, to implement against GDPR principles, awareness sessions held and role of Data Protection Officer created
2. **Political Governance** – training held for Members/Officers and Code of Conduct reviewed
3. **Partnerships** – service delivery partnerships reviewed and new arrangements in place to ensure on-going monitoring of effectiveness
4. **Delivery of Key Commercial and Community Based Projects** – oversight provided by Portfolio Board and governance arrangements streamlined
5. **Resilience and Capacity** – additional resilience and capacity has been sourced to support delivery
6. **Selective Licensing** –implementation and effectiveness of the scheme reviewed by Members to their satisfaction
7. **Development Management** – actions emanating from the most recent audit have been completed.

6.2 The 2016/17 Action Plan is attached for review and sign off