

TO: GOVERNANCE AND AUDIT COMMITTEE
26 JUNE 2019

ANNUAL GOVERNANCE STATEMENT
Executive Director of Delivery– Legal

1 PURPOSE OF REPORT

- 1.1 To present the Committee with the Annual Governance Statement for 2018/19, update the Committee on progress against the Action Plan agreed in June 2018 and to make recommendations for further actions arising from the contents of this report.

2 RECOMMENDATIONS

- 2.1 **That the draft Annual Governance Statement (“AGS”) and Action plan appended to this report be approved.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Council complies with the statutory requirements to produce an Annual Governance Statement.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 It is a statutory requirement for the Council to approve an AGS and Action Plan and therefore no alternative options have been considered.

5 SUPPORTING INFORMATION

- 5.1 In England, the preparation and publication of an AGS is necessary to meet the statutory obligation set out in Regulation 4(3) of the Accounts and Audit Regulations 2011. This requires authorities to prepare a statement in accordance with “proper practices” and the guidance in the Framework recommending an AGS constitutes “proper practice”. The AGS will be signed by the Chief Executive and the Leader of the Council.
- 5.2 The CIPFA/SOLACE publication “Delivering Good Governance in Local Government: Framework 2016” recommends that authorities produce an AGS to report publicly on the key elements of the governance framework the authority has in place, to review the effectiveness of the governance framework and the steps which will be taken over the next year to enhance governance arrangements. The AGS and Action Plan were prepared in accordance with the revised CIPFA/SOLACE Guidance Note 2016 and subsequent addendum. These provide that the AGS should include a brief description of the key elements of the governance framework the authority has in place.
- 5.3 The Action Plan attached to last years AGS identified a few areas requiring oversight, in particular in relation to communicating with and raising staff awareness of information management policies, taking a proactive approach to counter-fraud, reviewing the Member Code of Conduct provisions relating to social media and undertaking a review of GDPR compliance. Considerable progress was made during 2018/19 on implementing those actions (see Appendix 1 of AGS). Where these issues are still ongoing they have been included again in the Action Plan attached to the 2018/19 AGS (Appendix 2).

UNRESTRICTED

5.4 The primary sources of assurance for the AGS, as advised in CIPFA/SOLACE guidance, are the Compliance Assessments completed by

- Each Executive Director/Director on compliance with internal controls and governance arrangements across their departments;
- the Director-Finance in respect of financial controls; and
- the Head of Audit and Risk Management in respect of risk management.

5.5 An Action Plan has been drawn up to address the issues highlighted in the AGS and this is attached as Appendix 2 to the AGS

6 **ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

6.1 Good governance is critical to the Authority achieving its objectives as set out in the Council Plan. High profile governance failures in Birmingham, Northamptonshire, Doncaster, Tower Hamlets, Bristol , Rotherham and Derby in recent years have illustrated the need to ensure governance structures, and processes are fit for purpose and kept under constant review. .

Borough Treasurer

6.2 The Annual Governance Statement is a statutory requirement under the Accounts and Audit Regulations 2011 and will be incorporated within the Council's annual Statement of Accounts.

Equalities Impact Assessment

6.3 Not applicable.

Strategic Risk Management Issues

6.4 Risk management is a key part of good governance as outlined in the draft AGS.

Other Officers

6.5 None.

7 **CONSULTATION**

7.1 Principal Groups Consulted

See Paragraph 5.4 above.

7.2 Method of Consultation

Completion of compliance assessments and consideration at Corporate Management Team

Contact for further information

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