

## Agenda Item

**REPORT OF**    **Service Improvement Officer**  
**To:**            **Audit and Governance Committee**  
**Subject:**      **Annual Governance Statement**  
**Date:**         **12<sup>th</sup> June 2018**

**Reference:**

### **PURPOSE OF REPORT:**

To seek Committee approval for the Annual Governance Statement for 2017/2018

#### **1. INTRODUCTION**

Paragraph 4 of the Accounts and Audit (England) Regulations 2011 requires the Council to conduct a review at least once a year of the effectiveness of its control environment and to publish this in the Annual Governance Statement.

The Annual Governance Statement refers to a Code of Corporate Governance which was approved by Audit & Governance Committee on 5<sup>th</sup> December 2017 (see Appendix A).

The Annual Governance Statement should be a holistic assessment of the checks and balance arrangements that are in place to ensure that public money is properly spent and principles for the conduct of individuals in public life are maintained.

Members of the Committee will review the evidence to support the Statement and that the Statement covers all relevant issues.

#### **2. REPORT**

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) developed the Code of Corporate Governance in accordance with the best practice document 'Delivering Good Governance in Local Government Framework' produced jointly in 2007. The Framework was given 'proper practices' status by the Department for Communities and Local Government (DCLG) through non statutory guidance in respect of the requirement for Local Authorities to prepare an Annual Governance Statement which must accompany the statement of accounts. A new framework was developed and published in April 2016.

The new Governance Framework has seven core principles on which arrangements for good governance should be based. The principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management;
- G. Implementing good practises in transparency, reporting, and audit, to deliver effective accountability



At the meeting on 5<sup>th</sup> December 2017 the Committee approved the 2018 Code of Corporate Governance. At the meeting on 13<sup>th</sup> February 2017 the the Committee reviewed a draft copy of the 2017/18 Annual Governance Statement.

Since the last meeting the Senior Managers have completed and signed the Senior Manager Governance Assurance Statements and the Governance Team have reviewed and approved the statements. The Service Improvement Officer has collected and risk assessed the governance risks identified in 2017/18 and discussed these with the Head of Paid Service.

At this meeting (12<sup>th</sup> June 2018) the Audit & Governance Committee are asked to:

1. Review the Audit Managers Opinion for 2017/18.
2. Note the Committee's ongoing review of the evidence to support the Annual Governance Statement, to satisfy themselves that the evidence accurately reflects the governance framework (see Appendix B)
3. Review the 2017/18 AGS Action Plan and come to a view on which actions need to be included in the Annual Governance Statement (see Appendix C)
4. Agree the Annual Governance Statement (see Appendix D) and the actions (see Appendix E)

### **3. IMPLICATIONS**

#### Legal Implications

There is a legal requirement as part of the approval of the annual statement of accounts

#### Financial Implications

None

#### Human Resources Implications

None

#### Sustainability/Biodiversity Implications

N/A

#### Equality/Diversity

Equality Impact Assessment prepared

#### Risk Management

The evidence supporting the Annual Governance Statement reviews the Council's governance arrangements including risk management and identifies areas for improvement that are identified in the action plan.



## Compliance with Policies and Strategies

Approval and adoption of the Annual Governance Statement is a key aspect of demonstrating that Torridge District Council has undertaken an annual review of its governance framework

### Ward Member and Leader Member Views

Councillor Hackett, the Chair of the Audit & Governance Committee said “it is a key role of this committee to seek assurance that the Council’s governance arrangements are carefully and effectively monitored and remain robust.”

## **4. CONCLUSIONS**

The Committee having reviewed the evidence to support the Annual Governance Statement (database and audit reports) will then review the draft Annual Governance Statement and action plan to address any areas identified for improvement.

## **5. RECOMMENDATIONS**

It is recommended that:

- The Annual Governance Statement be formally approved (it will be signed off with the Financial Statement at the meeting on 24<sup>th</sup> July 2018)
- The Summary Action Plan be noted

## **SUPPORTING INFORMATION**

Consultations:	Jenny Wallace, Head of Paid Service Jamie Hollis, Monitoring Officer Steve Hearse, Statutory Finance Officer
Contact Officers:	Chris Dobbs, Service Improvement Officer
Background Papers:	Delivering Good Governance in Local Government, CIPFA, 2007 Delivering Good Governance in Local Government, Addendum, CIPFA, December 2012 Delivering Good Governance in Local Government: Framework, April 2016 Code of Corporate Governance, TDC, December 2017

## **APPENDICES**

A - 2018 Approved Code of Governance

B – List of Governance Principles (for use in selecting samples of the database for review)

C - 2017/18 AGS Action Plan (Ranked by Officer Suggestion of Highest Priority)

D – 2017/18 Draft Annual Governance Statement

E – Officer suggestions for priority actions to include in the AGS

