

Meeting:	Audit and governance committee
Meeting date:	Wednesday 23 January 2019
Title of report:	Annual Governance Statement: Action Plan
Report by:	Chief finance officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To report progress made towards implementing the agreed action plan in response to issues identified in the 2017/18 annual governance statement in order that the committee may gain assurance that risks are being appropriately mitigated.

The annual governance statement approved in July 2018 was accompanied by an action plan to strengthen governance arrangements. The report informs the committee about progress made in implementing the agreed action plan in order that the committee may gain assurance that action is being taken in a timely fashion to mitigate identified risks.

The report also provides the committee with information about the timetable for production of the 2018/19 statement.

Recommendation(s)

That:

- (a) the committee review the progress made in delivering the annual governance statement action plan at appendix 1, and determine any recommendations it wishes to make either to secure further improvement or gain assurance.**

Alternative options

1. There are no alternatives to the recommendation; it is a function of the committee to monitor the effective development and operation of risk management and corporate governance in the council, and reviewing governance improvement progress supports fulfilment of that function.

Key considerations

2. The council has a responsibility for conducting at least annually a review of the effectiveness of the governance framework including the system of internal control. This is reported through the annual governance statement and published as an appendix to the annual statement of accounts.
3. The annual governance statement also provides commentary on how the council's governance framework including the system of internal control can be improved. Whilst the statement by its nature is only signed off once a year, the process of review is continuous. Reports presented to the audit and governance committee inform the development of the annual governance statement, and the committee receives a half year progress report on implementation of the action plan supporting the annual governance statement. The progress report is attached at appendix 1. Progress has been made in all areas although there are revised timescales for delivery of five actions; where this is the case, an explanation for the change has been provided by the action owner.
4. The annual governance statement for 2018/19 must be published with the statement of accounts in July 2019, the timetable is below for information:
 - i. An initial draft of the statement is provided in March so that the committee can assure the statement accurately reflects the strength of the council's governance and internal control processes, on the basis of the knowledge available to the committee at that time. This is earlier than is usually the case because the timing of the council elections and annual Council meeting mean that a meeting of the committee will not be practicable before the draft statement is required to be published;
 - ii. The draft statement will be updated to take account of any issues identified through the manager and statutory officer assurance statement process undertaken during April;
 - iii. The draft statement is published with the draft accounts by the end of May;
 - iv. External and internal audit provide the committee with their opinion reports in July and the committee will confirm whether or not those reports raise any new issues which should be reflected in the final annual governance statement;
 - v. Following the July meeting of the committee, and taking account of any recommendations the committee makes, the final statement is signed by the Leader and Chief Executive for publication with the accounts by the end of July; and
 - vi. The committee receives a progress report on the implementation of the action plan in January 2020.

Community impact

5. Corporate governance is the term used to describe the systems, processes, culture and values Herefordshire Council has established to ensure we provide the right services, to the right people in a timely, open, and accountable way. The council's adopted code of corporate governance recognises that good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to

scrutiny with a view to improving performance and managing risk; it sets out the seven principles to underpin good governance.

6. To assess compliance, the council conducts an annual review of the effectiveness of its governance framework and system of internal control. The results of this review, carried out in accordance with the principles of this code, inform the production of the annual governance statements presented as part of the statement of accounts

Equality duty

7. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
8. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a factual report on improvement action progress, we do not believe that it will have an impact on our equality duty.

Resource implications

9. There are no resource implications arising from the recommendations

Legal implications

10. The Accounts and Audit Regulations 2015 include a requirement for all councils to produce an annual governance statement. This progress report is for information purposes only and does not have any legal implications

Risk management

11. The statement itself identifies any significant governance risks and the action plan provides mitigation to those risks

Consultees

12. None.

Appendices

Appendix 1: 2018/19 Action plan progress update.

Background papers

None identified.