

Meeting:	Audit and governance committee
Meeting date:	Tuesday 30 July 2019
Title of report:	Annual Governance Statement 2018/19
Report by:	Chief Finance Officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To agree the annual governance statement 2018/19.

The council is required to publish a statement annually which explains to the community, service users, tax payers and other stakeholders our governance arrangements and how the controls we have in place manage risks of failure in delivering our outcomes and reflecting our particular features and challenges. In March 2019, Audit and Governance Committee approved the draft statement for publication with the draft statement of accounts.

The draft statement has been reviewed having regard to the external auditor's findings and the internal auditor's annual report and opinion, and includes a summary of progress made against actions agreed in response to the previous year's statement. The draft statement is attached at appendix 1 and, for ease of reference, appendix 2 tracks changes made since the draft statement was reviewed by the committee in March.

Recommendation(s)

That:

- (a) the annual governance statement 2018/19 at appendix 1 be approved.**

Alternative options

1. There are no alternatives to publishing an annual governance statement which is a requirement of the Accounts and Audit Regulations 2015.
2. It is open to the committee to propose amendments to the draft statement to ensure it accurately reflects the council's governance arrangements and their effectiveness, and to ensure that proposed actions are appropriate. The committee made no recommendations for change when approving the draft.

Key considerations

3. The council is required to publish a statement annually which explains to the community, service users, tax payers and other stakeholders our governance arrangements, how the controls we have in place manage risks of failure in delivering our outcomes, and reflecting our particular features and challenges.
4. At its meeting on 19 March 2019 Audit and Governance Committee approved a draft statement for publication with the draft statement of accounts at the end of May.
5. Since the draft was approved a number of amendments have been made reflecting updates made to take account on updated outturn data, any actions completed that have mitigated a previously identified risk, and new risks or improvement areas identified through the statutory officer and director assurance process or consultation. For clarity, these are all shown as tracked changes in the document at appendix 2.
6. The External Auditor's draft annual findings report states "We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS".
7. Following approval of the statement it will be signed by the Leader of the Council and the Chief Executive before being published on the council's website with the statement of accounts for 2018/19. The committee is scheduled to receive a report on implementation of the action plan within the statement at its meeting on 28 January 2020 in order to gain assurance that progress is being made to mitigate identified risks.

Community impact

8. Corporate governance is the term used to describe the systems, processes, culture and values the council has established to ensure we provide the right services, to the right people in a timely, open, and accountable way. 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.
9. The annual review ensures that our arrangements are effective in supporting achievement of the council's vision and corporate plan priorities.

Equality duty

10. 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.
11. 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. Compliance with our code of corporate governance ensures that we demonstrate how we are fulfilling this duty.

Resource implications

12. None associated with the recommendations. If the committee proposes further actions the resource implications of implementing those actions will need to be considered

Legal implications

13. The Accounts and Audit (England) Regulations 2015 include a requirement for all councils to produce an annual governance statement, and set out the timescales by which they must be published. Approval of the statement ensures that the council will comply with these requirements.

Risk management

14. The statement itself identifies any high level or strategic governance risks and the action plan provides mitigation to those risks

Consultees

15. The views of the council's internal and external auditors have informed the development of the statement. The council's appointed Independent Persons have been invited to provide their views on the robustness of the council's arrangements regarding standards, and any recommendations they would wish to be considered for improvement. Appendix 3 summarises the views and recommendations provided, and the proposed response to any recommendations.

Appendices

Appendix 1: Draft Annual Governance Statement 2018/19

Appendix 2: Draft Annual Governance Statement 2018/19 (with tracked changes showing)

Appendix 3: Independent Persons' views and recommendations.

Background papers

None identified