

Meeting:	Audit and governance committee
Meeting date:	10 May 2017
Title of report:	Annual governance statement
Report by:	Chief finance officer

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose

To approve the draft annual governance statement for 2016/17 prior to publication with the draft accounts.

Recommendation(s)

THAT:

- (a) the draft 2016/17 annual governance statement (at appendix A) be approved;
and
- (b) the draft code of corporate governance (at appendix B) be recommended to full Council for adoption within the council's constitution.

Alternative options

- 1 It is open to the committee to propose amendments to the draft statement or action plan to address any identified weaknesses in the control environment.

Reasons for recommendations

- 2 To inform development of the annual governance statement.

Key considerations

- 3 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 for approval by the committee and will be published as an appendix to the annual statement of accounts.
- 4 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.
- 5 The preparation and publication of the annual governance statement has been carried out in accordance with the guidance produced by the Chartered Institute of Public Finance and Accountancy: 'Delivering Good Governance in Local Government'. The council's code of corporate governance has also been reviewed in light of this guidance. As the code forms part of the constitution the revised draft has been considered by the governance improvement working group who recommended the draft (at appendix B) for adoption.
- 6 The draft statement is attached at appendix A, which includes an action plan to secure improvement. Also attached for information, at appendix C, is the previous year's action plan with progress updates shown using tracked changes.

Community impact

- 7 The council is responsible for ensuring that appropriate safeguards are in place to ensure that it operates effective governance arrangements and internal controls. The decisions the council makes have direct impact on the lives of residents of the county and therefore it is essential that the council have appropriate governance arrangements in place.

Equality duty

- 8 A public authority must, in the exercise of its functions, have due regard to the need to:
 - eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under the act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 9 Effective governance arrangements ensure that due consideration is given to the exercise of this duty in the decision-making and actions of the council.

Financial implications

- 10 None arising directly from this report.

Legal implications

- 11 The Accounts and Audit 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.

Risk management

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

Consultees

- 13 The governance improvement working group reviewed the draft code of corporate governance and requested changes to the diagram within the document to ensure it was accessible by visually impaired readers, and suggested some amendments to the layout of the document; all recommended changes have been made.

Appendices

Appendix A – draft annual governance statement 2016/17

Appendix B – progress re action plan 2016/17

Appendix C – draft code of corporate governance.

Background papers

- None identified.