



TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 10 January 2017

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Annual Governance Statement (AGS) – 2015/16 Actions and 2016/17 Approach/Timetable

1. PURPOSE

To inform Members of the actions taken to address the significant governance issues identified in the 2015/16 AGS and the approach/timetable for producing the 2016/17 AGS.

2. RECOMMENDATIONS

The Committee is asked to:

- review progress made on the agreed AGS actions from 2015/16; and
- note the approach/timetable for producing the AGS for 2016/17.

3. BACKGROUND

The Accounts & Audit Regulations require that the Council must publish an AGS on an annual basis in accordance with proper practice. The Audit & Governance Committee is also required to review and provide independent assurance on the Council's governance framework.

4. RATIONALE

The AGS is a product of the Council's own review of its framework of governance. The governance framework comprises the systems and processes, the culture and values, by which the organisation is directed and controlled, and its activities through which it accounts to, engages with and leads the community. The framework itself is based on guidance issued by CIPFA/SOLACE. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

5. KEY ISSUES

The AGS is a statutory document, which is published each year to accompany the Council's Statement of Accounts. It outlines the arrangements that are in place to direct and control the Council's activities (the governance framework). It also includes an annual assessment of the effectiveness of the governance framework. Any significant governance issues must be reported.

Actions from 2015/16

In 2015/16 five significant issues were reported:

- Procurement (brought forward from 2013/14);
- Payroll (brought forward from 2013/14);
- Partnership Arrangements(brought forward from 2014/15);
- Adults Services Financial Position (brought forward from 2014/15); and
- Growth Programme.

Details of progress are shown in Appendix 1. There are still actions to be undertaken but all are in progress and they are largely in accordance with expected targets.

Approach for 2016/17

The Management Accountabilities Framework (MAF) provides ongoing assurance on the effectiveness of the Council's governance framework. Through their completion of the half-yearly "Directors Exception/Dashboard Report and Assurance Statement" directors provide updates with regard to their operational plan priorities, general management and their performance, finance and governance arrangements. These reports, combined with the Executive Director's Programme Area Meetings (PAM), provide appropriate challenge to the process with significant "red" issues being reported to the Management Board and Audit Committee.

There is a year-end process (currently led by Audit & Assurance), which provides further assurance on the Council's governance framework. This includes the receipt of signed statements of assurance from each director and the deputy chief executive. This statement requires that they each provide an assessment of their governance arrangements and systems of internal control with an action plan for any identified areas of weakness. The year-end process also involves the collection and assessment of evidence to determine the Council's compliance with the core principles of good governance. This evidence includes examples of systems, processes, documentation and other evidence (including self-assessment tools and sources of further guidance) as recommended in the CIPFA/SOLACE publication "Delivering Good Governance in Local Government: Guidance Note for English Authorities 2016 edition".

Timetable for 2016/17

Deadline	Action
15/3/17	Circulation of director statement of assurance templates
31/3/17	Completion of Second Half-Year MAF Directors reports
15/4/17	Second Half-Year MAF PAM challenges
30/4/17	Second Half-Year MAF significant "red" issues reported to Management Board
30/4/17	Receipt of signed director statements of assurance Receipt and collation of annual governance core principle evidence
15/5/17	AGS evidence and statements considered by Primary Assurance Group (PAG)
31/5/17	Production of draft AGS by PAG for consideration by Executive Team
13/6/17	Second Half-Year MAF significant "red" issues reported to Audit & Governance Committee

	Approval of AGS by Audit & Governance Committee
30/6/17	AGS signed by Chief Executive and Leader of the Council
31/7/17	AGS published

6. POLICY IMPLICATIONS

The Code of Corporate Governance sets out the core principles for good governance. These guide the Council's policy making.

7. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the AGS process.

8. LEGAL IMPLICATIONS

The Council's preparation and publication of an annual AGS, that accords with the CIPFA/SOLACE Framework, is necessary to meet the statutory responsibility (set out in Regulation 6 (2) of the Accounts & Audit Regulations 2015) This responsibility requires that an AGS is prepared in accordance with proper practices and accompanies the statement of accounts.

9. RESOURCE IMPLICATIONS

There are no direct resource implications arising from this AGS process.

10. EQUALITY AND HEALTH IMPLICATION

There are no equality or health implications arising from this AGS process.

11. CONSULTATIONS

Deputy Chief Executive (as Chair of the Primary Assurance Group); Director of Finance & IT and Director of HR, Legal & Corporate Services.

Contact Officer: Paul Hankinson, Audit & Assurance Manager – Ext: 5630
Date: 30 December 2016
Background Papers: 2015/16 AGS approved by Audit & Governance Committee on 14 June 2016