

REPORT TO	ON
Governance Committee	13 September 2017

Jan 2017



TITLE	AUTHOR
Annual Governance Statement	Interim Monitoring Officer

## 1. PURPOSE OF THE REPORT

1.1 The report presents the council’s Annual Governance Statement (AGS) for 2017 to provide assurance on the standards of corporate governance spanning all the Council’s priorities and covering all activities.

1.2 The report follows on from the report to Governance Committee on the 28<sup>th</sup> of June 2017 when Committee considered the draft AGS. At that stage Committee was happy with the contents of the AGS.

1.3 Since then (following discussions with External Auditors) some amendments have been made to the draft AGS with the purpose of strengthening the document.

1.4 Governance Committee is now asked to approve the amended AGS with a view to it being published with the Statement of Accounts. A great deal of work has been done in the last 12 months to strengthen and improve our governance arrangements. Much has already been achieved but this is an ongoing process of course.

## 2. RECOMMENDATIONS

That the Committee considers and approves the council’s Annual Governance Statement

## 3. CORPORATE PRIORITIES

The report relates to the following corporate priorities:-

Clean, green and safe		Strong and healthy communities	
Strong South Ribble in the heart of prosperous Lancashire		Efficient, effective and exceptional council	X

## 4. BACKGROUND TO THE REPORT

4.1 The earlier report of the 28<sup>th</sup> of June 2017 set out the full background to this and the processes we have gone through to produce the AGS. The AGS is attached at Appendix A.

4.2 As members are aware the council is required (the Accounts and Audit Regulations 2015) to conduct an annual review of the effectiveness of its system of corporate governance and to publish a statement on the adequacy of the system with its annual accounts.

4.3 The council's AGS is intended to provide assurance on the standards of corporate governance spanning all the council's priorities and covering all activities.

4.4 The AGS explains our governance arrangements, the review of the governance framework against the Local Code of Governance and sets out future plans to improve and strengthen the governance environment. Statutory regulations state that the document should be published with the financial statements; however, it should be emphasised that the AGS is a broader reflection of the whole governance of the council, relating to not just financial controls, but covering all activities of the council.

## **5. DETAILS AND REASONING**

5.1 Subsequent to the publication of the draft AGS (and its consideration by Governance Committee on the 28<sup>th</sup> of June 2017) External Auditors have met with officers and suggested that we consider making some changes to the document. It is not considered that any of the discussed changes are fundamental - the suggested changes are designed to improve the clarity and strengthen the contents of the AGS. The council's officers therefore were happy to consider the comments of External Audit and amend the wording accordingly. For your ease of reference the proposed amendments to the document are highlighted in red. It is not considered that these changes cause any issues for the council.

5.2 The principal changes (which are primarily in the latter part of the document – section 4 onwards) include:

- A section explaining the interim management arrangements which have been in place in the council during the relevant period
- More information about Mary Ney's review of Licensing
- A section on the staff survey
- Expanded comments by the Head of Shared Assurance and the Section 151 officer
- A clear commitment to implement the Action Plan moving forward.

5.3 In addition the actions taken against the 2016 Action Plan have been updated to reflect further developments since the Committee report of the 28<sup>th</sup> of June.

5.4 Moving forward it is a requirement that the AGS statement is signed by the Leader of the Council and the Chief Executive – subject to the approval of Governance Committee this will now be attended to.

5.5 Further the Statement of Accounts will need to incorporate the AGS. Members will see elsewhere on the agenda a report seeking authority to sign off the Statement of Accounts. The letter of representation will also need to be signed – this again is covered by a report elsewhere on the agenda.

5.6 Accordingly it is good practice that the statement is approved separate to the accounts and also signed by the Leader of the Council and the Chief Executive to emphasise its importance and corporate nature

## 6. WIDER IMPLICATIONS AND BACKGROUND DOCUMENTATION

### 6.1 Comments of the Statutory Finance Officer

There are no financial implications arising from this report.

The AGS will be published with the financial statements/statement of accounts.

### 6.2 Comments of the Monitoring Officer

The production of the AGS demonstrates compliance with the Accounts and Audit Regulations 2015. More generally it is clearly crucial that the council does everything practicable to demonstrate that its governance regime is as robust as possible – the AGS is a vital part of that process.

<p><b>Other implications:</b></p> <ul style="list-style-type: none"><li>• <b>Risk</b></li><li>• <b>Equality</b></li><li>• <b>HR</b></li></ul>	<ul style="list-style-type: none"><li>• The statement and more importantly the underlying process of assessment will enhance our internal control and corporate governance status thus minimising risk.</li><li>• There are no adverse implications for equality issues with this report</li><li>• There are no HR implications arising from this report</li></ul>
---	--

## 7. BACKGROUND DOCUMENTS

A Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) 2016 document, entitled "Delivering Good Governance in Local Government Framework"

Regulation 6(b) of the Accounts and Audit (England) Regulations 2015.

The Chartered Institute of Public Finance and Accountancy (CIPFA) "Statement on the Role of the Chief Financial Officer" 2010

CIPFA "Statement on the Role of the Head of Internal Audit" 2010

A 2004 publication produced by the Independent Commission on Good Governance in Public Services chaired by Sir Alan Langlands entitled "Good Governance Standard for Public Services".