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| REPORT TO: | AUDIT SUB-COMMITTEE | AGENDA ITEM: 11 |
| DATE OF MEETING: | 14th JUNE 2017 | CATEGORY: RECOMMENDED |
| REPORT FROM: | LEGAL and DEMOCRATIC SERVICES MANAGER and MONITORING OFFICER | OPEN |
| MEMBERS' CONTACT POINT: | ARDIP KAUR (01283 595715) ardip.kaur@south-derbys.gov.uk | DOC: |
| SUBJECT: | ANNUAL GOVERNANCE STATEMENT 2016/17 | REF: |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: AS 04 |

1.0 Recommendations

- 1.1 To recommend to Finance and Management Committee the Annual Governance Statement (AGS) for the year ended 31st March 2017 and its publication within the Statement of Accounts for 2016/17.
- 1.2 To authorise the Leader of the Council and Chief Executive Officer to sign the Annual Governance Statement.

2.0 Purpose of Report

- 2.1 To submit the Council's Annual Governance Statement (AGS) for 2016/17 in accordance with the Accounts and Audit Regulations 2003 (as amended).

3.0 Detail

Background

- 3.1 Governance is about how South Derbyshire District Council ensures that it does the right things, in the right way, for the right people in a timely, inclusive, open and accountable manner. As such, it comprises the systems, processes, culture and values by which the Council is directed and controlled and through which it accounts to, engages and leads its local community.

Annual Governance Statement (AGS)

- 3.2 The AGS is the formal statement that records and publishes a council's governance arrangements; it is a statutory requirement to publish an AGS on an annual basis.
- 3.3 Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) states that the production and publication of the AGS,

are the final stages of an on-going review of governance and not activities that can be planned and viewed in isolation. Compilation of the AGS involves the Council in:

- reviewing the adequacy of its governance arrangements
- knowing where it needs to improve these arrangements
- communicating to stakeholders how better governance leads to best quality public services

3.4 The proposed AGS for 2016/17 is attached. It is led by the Council's Monitoring Officer in consultation with the Council's Chief Officers. The AGS has been produced in accordance with the CIPFA guidelines and includes commentary on:

- the governance environment and how this is reviewed to determine its effectiveness; and
- issues of significance that require addressing as part of the review of effectiveness

3.5 **Section D** of the Statement highlights those issues and matters dealt with under the Governance framework. This includes a summary of any complaints made against the Council by the Local Government Ombudsman and other Government agencies, together with any significant issues raised by Auditors and failures to operate within expected standards.

Compiling the AGS

3.6 The aim of the AGS is to set out established processes and to reflect on any matters arising during the year. Much of the content of the AGS should already be known and may have been reported and noted elsewhere in other Council forums.

3.7 As the governance framework at the Council is relatively well established, the existing AGS is used as the basis of the annual review. The lead officers in compiling and reviewing the AGS are the Council's Monitoring and Chief Finance Officers.

3.8 In monitoring the AGS, these officers review policy committee reports and decisions, together with Management Team minutes to ensure that any relevant matters are included in the AGS.

3.9 Work in other forums such as the Health and Safety Committee, Licensing and Appeals Committee and the Joint Negotiating Group, where potential matters affecting the AGS are reported, are also reviewed. These committees and forums are usually attended by the Monitoring and Chief Finance Officers.

- 3.10 In addition, investigations that may have been undertaken by the Information Commissioner, Data Protection Registrar and Local Government Ombudsman are also reviewed. Any legal action brought against the Council is also reviewed to determine its impact on the Council's governance arrangements.
- 3.11 When the draft statement is complete, the Chief Executive and other corporate directors are consulted and asked to highlight any other matters.

Work Plans

- 3.12 A work plan, considered and approved by the Committee in June 2016, was progressed during 2016/17 to address matters identified to maintain and strengthen the governance environment. These were:
- Continuing to review the Local Code of Corporate Governance half yearly.
 - An independent review of the Council's policies regarding information governance and compliance.
 - A review of mandatory training.
 - A review of ICT disaster recovery procedures.
 - A review of access to information regulations and committee work programmes.
 - To complete a final action in the business continuity work programme by ensuring that sufficient information is available at Directorate level to enable individual services to react to business continuity issues.
- 3.13 Apart from a full review of information governance, these actions were all completed during the year. The corresponding detail was reported in a separate report on this Agenda regarding a review of the Council's Local Code of Corporate Governance.
- 3.14 The proposed work plan for 2017/18 is detailed in the AGS. These actions have been identified to maintain robust governance and to ensure arrangements keep abreast of a changing environment. The work programme includes:
- Continue to review on a 6-monthly basis the Local Code of Corporate Governance.
 - To review information governance arrangements and to prepare for changes in Data Protection regulations in May 2018. This will include work carried forward from 2016/17.
 - To undertake a series of training and briefing sessions for staff on the Council's procurement procedures.

4.0 Financial Implications

4.1 None.

5.0 Corporate Implications

5.1 Corporate governance affects the whole authority and as part of the process, all members of senior management have been consulted and made aware of its contents. Generally, senior managers are briefed at corporate meetings in respect of governance generally, together with the AGS and its importance for the financial statements.

5.2 Maintaining good governance is a key outcome in the Corporate Plan adopted by the Council in April 2016. This reflects that sound governance should underpin all services and activities of the Council.

5.2 The AGS itself will be signed by the Council's Leader and most senior officer, the Chief Executive. This also emphasises that corporate governance is at the centre of the leadership and management of South Derbyshire District Council.

6.0 Community Implications

6.1 The AGS is designed to act as a public assurance statement that the Council has a sound system of corporate governance, designed to help deliver services in a proper, inclusive, open and accountable manner.

7.0 Background Papers

The Annual Governance Statement and Rough Guide published by the Chartered Institute of Public Finance and Accountancy.