

<b>Title of Report:</b>	<b>Annual Governance Statement 2014-15</b>
<b>Report to be considered by:</b>	Management Board for information in July 2015 Governance and Ethics Committee on 24 August 2015
<b>Forward Plan Ref:</b>	GE3002

**Purpose of Report:** To allow the committee to review the Annual Governance Statement prior to signature by the Leader and Chief Executive

**Recommended Action:** The Annual Governance Statement sets out a number of actions to mitigate risks to the Council's governance arrangements, these should be considered and approved by the committee

**Reason for decision to be taken:** To provide assurance to the Leader and Chief Executive to enable them to sign the Annual Governance Statement

**Key background documentation:** Service risk registers and Heads of Service Assurance Statements.

The proposals will help achieve the following Council Strategy aim: <input checked="" type="checkbox"/> <b>CSA5 – Become an even more effective Council</b>
The proposals contained in this report will help to achieve the above Council Strategy aim by: strengthening the Council's governance arrangements

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<b>Date Portfolio Member agreed report:</b>	09 July 2015

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## Implications

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**Policy:** None  
**Financial:** None  
**Personnel:** None  
**Legal/Procurement:** None  
**Property:** None  
**Risk Management:** None

<b>Is this item relevant to equality?</b>	Please tick relevant boxes	<b>Yes</b>	<b>No</b>
Not relevant to equality		<input checked="" type="checkbox"/>	
<b>Is this item subject to call-in?</b>	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>	

# Executive Summary

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## 1. Introduction

- 1.1 The report sets out the Annual Governance Statement (AGS) for the Council for 2014-15.
- 1.2 This report outlines issues that Corporate Board considered should be included in the 2014-15 AGS as requiring action to resolve.

## 2. Proposals

- 2.1 One issue of concern, in terms of the Council's governance arrangements, was noted in 13-14. This related to recruitment of Social Workers in Children's Services. Action has been taken to deal with this through a number of measures including an improved recruitment and retention package.
- 2.2 Two issues of concern have been identified in the preparation of the 14-15 AGS.
  - (1) The recent OFSTED of Children's Services
  - (2) The Council's financial position
- 2.3 Actions are being put in place to manage these issues.

## 3. Equalities Impact Assessment Outcomes

- 3.1 This item is not relevant to equality.

## 4. Conclusion

- 4.1 The Council has effective governance arrangements that are kept under constant review, with appropriate actions being taken where required.

# Executive Report

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## 1. Introduction

- 1.1 This report outlines the purpose of the Annual Governance Statement (AGS) and explains how the necessary assurance to support the AGS has been obtained. This should enable the Committee to make an informed judgement as to the effectiveness of the process that the Council has followed in conducting the annual review of the system of internal control within the Council.

## 2. Purpose of the AGS

- 2.1 The AGS is designed to provide stakeholders of the Council with assurance that the Council has operated within the law and that the Council has met the requirements of the Accounts and Audit Regulations:

“The Council shall conduct a review at least once in a year of the effectiveness of its system of internal control”.

- 2.2 A copy of the AGS for 2014-15 is attached to this report, for review, at Appendix A.

- 2.3 The Council relies on a number of sources of information to carry out the review of the system of internal control. These are:

- (1) Head of Service Assurance Statements and service risk registers (appendices B & C)
- (2) The Chief Internal Auditors annual report
- (3) The Monitoring Officer’s annual report
- (4) The s151 Officer’s annual report
- (5) Reports from external regulators, eg OFSTED, KPMG (the Council's External Auditor), the LGA (peer review process).

- 2.4 This evidence provides the assurance that enables the Leader and Chief Executive to sign the AGS with confidence.

- 2.5 The Annual Governance Statement was prepared by the Finance and Governance Group and reviewed by the Risk Management Group and Corporate Board.

## 3. Governance issues identified as requiring action

- 3.1 A key element of the review of the system of internal control is the identification of any weaknesses or risks in the system, along with recommendations to mitigate such issues. Then in the subsequent year further report is made on progress with implementing agreed recommendations.

- 3.2 The Annual Governance Statement for 2013-14 outlined one area where action was required in relation to recruitment of social workers in Children and Family Services. In order to deal with this a number of actions were taken including:

- (1) Improved terms and conditions

- (2) Setting up a social work academy
  - (3) Improvements to the recruitment processes
- 3.3 In addition Corporate Board is monitoring the effectiveness of the changes, through updates from the service.
- 3.4 Two issues have been identified as requiring action in this years AGS. These relate to:
- (1) Issues raised in the OFSTED review of Children and Family Services Services
  - (2) The Council's overall financial position, given a number of pressures that are likely to be difficult to finance.
- 3.5 In terms of the OFSTED review of Children's Services the Council will implement an action plan that will be approved by the Department for Education. In addition the Council has made a commitment to move the OFSTED rating for Children's to "good".
- 3.6 In terms of the Council's financial position work has started to build the budget for 16-17 and as part of that process programme of savings is being developed.
- 4. Role of Governance and Audit Committee re the AGS for 2013-14**
- 4.1 A key function of the Governance and Audit Committee is to review and approve the AGS for 14-15 prior to it being signed off by the Chief Executive and Leader of the Council.
- 4.2 In order to be able to review the AGS the Committee needs to examine the evidence, noted in 2.3, above, that supports the AGS. This evidence is presented in separate reports

## **Appendices**

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Appendix A - Annual Governance Statement

Appendix B - Summary of Heads of Service Assurance Statement returns

Appendix C - Proforma for the Head of Service Assurance Statement

## **Consultees**

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**Local Stakeholders:** N/A

**Officers Consulted:** Corporate Board

**Trade Union:** N/A