
Annual Governance Statement - Summary Report

Committee considering report:	Governance and Ethics Committee
Portfolio Member:	Councillor James Fredrickson
Date Portfolio Member agreed report:	23 June 2016
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1. Purpose of the Report

- 1.1 The report sets out the Annual Governance Statement (AGS) for the Council for 2015-16.
- 1.2 This report outlines issues that Officers considered should be included in the 2015-16 AGS as requiring action to resolve.

2. Recommendation

- 2.1 The Annual Governance Statement sets out actions to mitigate risks to the Council's governance arrangements, these should be considered and approved by the Committee.

3. Implications

- 3.1 **Financial:** None
- 3.2 **Policy:** None
- 3.3 **Personnel:** None
- 3.4 **Legal:** None
- 3.5 **Risk Management:** The report aims to highlight any weaknesses in the Council's governance arrangements including any significant / critical risks.
- 3.6 **Property:** none
- 3.7 **Other:** none

4. Other options considered

- 4.1 None

5. Executive Summary

- 5.1 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.
- 5.2 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”.
- 5.3 A copy of the AGS for 2015-16 is attached to this report, for review, at Appendix A.
- 5.4 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).
- 5.5 This evidence provides the assurance that enables the Leader and Chief Executive to sign the AGS with confidence.
- 5.6 The Annual Governance Statement was prepared by the Finance and Governance Group and reviewed by the Risk Management Group and Corporate Board.
- 5.7 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.
- 5.8 The Annual Governance Statement for 2014-15 outlined two issues of concern. These were:
- (1) the OFSTED review of Children and Family Services. The Council has, during 2015-16 implemented an action plan, agreed with the DFE to remedy the weaknesses identified by Ofsted.
 - (2) the Council's overall financial position, given a number of pressures that are likely to be difficult to finance. The Council implemented a savings programme to ensure that a balanced budget could be delivered.

- 5.9 Two issues have been identified as requiring action in this year's AGS. These relate to:
- (1) A number of Judicial Reviews have been raised against the Council in connection with proposed service reductions. The Council will take action to defend against the JRs.
 - (2) The Council's financial position remains challenging and further service reductions will be required over coming years in order to deliver a balanced budget.
- 5.10 A key function of the Governance and Audit Committee is to review and approve the AGS for 15-16 prior to it being signed off by the Chief Executive and Leader of the Council.
- 5.11 In order to be able to review the AGS the Committee needs to examine the evidence, noted in 5.4, above, that supports the AGS. This evidence is presented in separate reports.

6. Conclusion

- 6.1 The Council has robust governance arrangements in place and continues to be able to deal, effectively, with issues identified in the annual review of these arrangements.

7. Appendices

- 7.1 Appendix A – Annual Governance Statement – 2015-16
- 7.2 Appendix B – Summary of Heads of Service Assurance Statements
- 7.3 Appendix C – Pro-forma for the Head of Service Assurance Statement