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# Annual Governance Statement 2017/18

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<b>Committee considering report:</b>	Governance and Ethics Committee
<b>Date of Committee:</b>	30 July 2018
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	12 July 2018
<b>Report Author:</b>	Andy Walker
<b>Forward Plan Ref:</b>	GE3331

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## 1. Purpose of the Report

- 1.1 The report sets out the Annual Governance Statement (AGS) for the Council for 2017-18.
- 1.2 This report outlines issues that Corporate Board considered should be included in the 2017-18 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

## Executive Summary

### 5. Introduction / Background

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 2017-18 is attached to this report, for review, at Appendix B.

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
- (2) The Audit Manager’s annual report
- (3) Reports from external regulators, e.g. 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 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 2017-18 outlined the following issues of concern:

- The Council’s significant investment in commercial property, transformation programme and pursuing commercialisation opportunities will continue to require effective governance arrangements around proposed changes.
- Council’s preparation for General Data Protection Regulations (GDPR) coming into force on 25<sup>th</sup> May 2018.
- Planned regular review of Council’s constitution to ensure effective governance arrangements. This included an overhaul of Council’s Scheme of Delegation and a stronger Contract Rules of Procedure and a supporting governance framework, together with changes to the Officers Code of Conduct.

## 6. Proposal

- 6.1 In light of the issues raised during the year the following measures will be implemented during 2018/19:
- GDPR compliance will be closely monitored during year to ensure effective implementation.
  - Council's constitution will be reviewed by Finance and Governance Group in accordance with the agreed plan.

## 7. Conclusion

- 7.1 A key function of the Governance and Audit Committee is to review and approve the AGS for 2017-18 prior to it being signed off by the Chief Executive and Leader of the Council.
- 7.2 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.

## 8. Appendices

Appendix A – Annual Governance Statement 2017/18

Appendix B – Head of Service pro forma Assurance Statement