

 <b>FINANCE &amp; AUDIT SCRUTINY COMMITTEE</b> <b>31 August 2016</b>		<b>Agenda Item No.</b> <b>5</b>
<b>Title</b>		Annual Governance Statement Action Plan 2016/17: Review of Progress
<b>For further information about this report please contact</b>		Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk
<b>Wards of the District directly affected</b>		All
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>		No
<b>Date and meeting when issue was last considered and relevant minute number</b>		8 March 2016
<b>Background Papers</b>	Accounts and Audit (England) Regulations 2015 Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2007) Delivering Good Governance in Local Government: Framework (Addendum) (CIPFA/SOLACE 2012) Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities (CIPFA/SOLACE 2012) The Annual Governance Statement – Rough Guide for Practitioners (CIPFA Financial Advisory Network) Minutes of Senior Management Team	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No (N/A: no direct service implications)

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	11 Aug 2016	Chris Elliott / Andrew Jones
Head of Service	11 Aug 2016	SMT
Monitoring Officer	11 Aug 2016	Andrew Jones
Human Resources		
Section 151 Officer	11 Aug 2016	Mike Snow
Finance	11 Aug 2016	As S151 Officer
Portfolio Holder(s)	11 Aug 2016	Councillors Mobbs and Whiting

<b>Consultation &amp; Community Engagement</b>	
Senior Management Team review of Annual Governance Statement Action Plan	
<b>Final Decision?</b>	Yes
<b>Suggested next steps (if not final decision please set out below)</b>	

## 1 **Summary**

- 1.1 The purpose of this report is for Committee to review the progress that is being made in addressing the 'Significant Governance Issues' facing the Council set out in its Annual Governance Statement 2015/16. The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.

## 2 **Recommendations**

- 2.1 That Committee should review the Action Plan set out in the Appendix and confirm whether it is satisfied with the progress being made in addressing the Significant Governance Issues relating to the Annual Governance Statement 2015/16.

## 3 **Reasons for the Recommendations**

- 3.1 To help fulfil Members' responsibility for effective corporate governance within the Council.
- 3.2 To provide assurance to Members that governance issues identified as part of the compilation of the Annual Governance Statement are being addressed.

## 4 **Policy Framework**

- 4.1 The Annual Governance Statement describes governance arrangements relating to the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of governance in an organisation; governance issues needs to be discussed and debated and mitigations put in place in order to prevent or rectify weaknesses.
- 4.2 The arrangements will assist the Council in furtherance of its priority of providing clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.

## 5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, an effective Budgetary Framework is a key element of corporate governance. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

## 6 **Risks**

- 6.1 Risk management is an intrinsic element of corporate governance. There are various risks associated with the Significant Governance Issues and these not being addressed satisfactorily.

## 7 **Alternative Options Considered**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

## 8 **Corporate Governance in Local Authorities**

- 8.1 CIPFA/SOLACE emphasise that corporate governance is everyone's business and define it as:

*"How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities."* CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives)

- 8.2 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. The framework is built on the six core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. The principles in relation to local government as set out in the framework are:

- a clear definition of the body's purpose and focusing on the outcomes for the community and creating and implementing a vision for the local area;
- members and officers are working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capability of members and officers to be effective;
- engaging with local people and other stakeholders to ensure robust public accountability.

Both the Annual Governance Statement and the Council's Code of Corporate Governance reflect these six themes.

## 9 **Annual Governance Statement**

- 9.1 The production of an Annual Governance Statement is a statutory requirement for local authorities (Regulation 6 of The Accounts and Audit (England) Regulations 2015).
- 9.2 The CIPFA Financial Advisory Network has published an advisory document entitled "The Annual Governance Statement: Rough Guide for Practitioners". Its advice is that the Annual Governance Statement is a key corporate document and the most senior member and the most senior officer (Leader and Chief Executive respectively) have joint responsibility as signatories for its accuracy and completeness. It advises that it should be owned by all senior members and officers of the authority and that it is essential that there is buy-in at the top level of the organisation. It advises that the work associated with its production should not be delegated to a single officer.

9.3 The Leader and Chief Executive of the Council as signatories to the Annual Governance Statement need to ensure that it accurately reflects the governance framework for which they are responsible. In order to achieve this they will rely on many sources of assurance, such as that from:

- Deputy Chief Executives and Service Area Managers
- the Responsible Financial Officer
- the Monitoring Officer
- Members
- the Audit and Risk Manager
- performance and risk management systems
- third parties, e.g. partnerships
- external audit and other review agencies.

## 10 **The Significant Governance Issues**

10.1 The governance issues facing the Council have been identified from production of the statutory Annual Governance Statement.

10.2 The Significant Governance Issues are summarised in the Annual Governance Statement Action Plan for 2016/17 that forms part of the Annual Governance Statement for 2015/16.

10.3 The Annual Governance Statement (incorporating the Action Plan setting out the Significant Governance Issues) has been approved by Full Council.

10.4 The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.

10.5 The progress in addressing these governance issues is reported by the officers who are leading on them.