

**LICENSING AND GENERAL PURPOSES COMMITTEE
26TH JUNE 2017**

**SOLICITOR TO THE COUNCIL
REPORT NO. LEG1710**

ANNUAL GOVERNANCE STATEMENT 2016-2017

1 Purpose

This report seeks comment upon the attached draft Annual Governance Statement (AGS) for the year 2016/17. The final version of the AGS will be brought to the September meeting of this committee for approval as the new Code of Corporate Governance needs to be adopted by Council, at its July meeting, before the AGS in its new format can be approved.

Recommendation

- the Annual Governance Statement attached at Appendix 1 be considered by the Committee; and
- Published with the Council's Statement of Accounts.

2 Background

2.1 The Accounts and Audit Regulations 2003 (as amended in 2006 and 2011) introduced the requirement for local authorities to:

- . Conduct at least annually a review of the effectiveness of its system of internal control.
- . Prepare an Annual Governance Statement.
- . Publish the Annual Governance Statement with the Statements of Accounts.

2.2 These regulations have now been replaced by the Accounts and Audit code of Regulations 2015, and regulation 6(1) continues the requirement to prepare an annual governance statement. CIPFA have also published a revised version of their framework document on preparing the Code of Governance entitled Delivering Good Governance in Local Government: Framework (2016 Edition).

2.3 A revised Code of Governance has been prepared to reflect this revised version, which is on the agenda for approval by this committee and recommendation for adoption by Council - item number..... The draft Annual Governance Statement has been prepared against this revised Code of Governance, rather than against the Council's current Code of Governance, which is why the committee are being asked to comment upon the draft statement. The final version will come to the September meeting of this Committee for approval as the revised Code of Governance will have been adopted by that stage.

3. Purpose of the Annual Governance Statement

- 3.1 The Regulations require Councils to ensure that their financial management is adequate and effective and there is a sound system of internal control. This facilitates the effective exercise of that Council's functions including the management of risk and review of performance management.
- 3.2 The system of internal control includes more than just the financial aspects of the Council's business. It includes matters such as the establishment and monitoring of objectives, the arrangements for decision-making and ensuring compliance with established policies.
- 3.3 The Annual Governance Statement should be considered by this Committee, and published alongside the Statement of Accounts by 30th June 2017. The Annual Governance Statement will be brought to this committee for final approval at its meeting of the 25th September.

4. Proposed Annual Governance Statement

- 4.1 The AGS has been prepared on the basis of new Code of Governance which is yet to be adopted by Council and is based on the 2016 framework document. There are now 7 principles to be considered as set out in the draft Code of Governance and also as referred to in the draft annual governance statement.
- 4.2 The Statement is required to include notification of any significant internal control issues and an action plan to address them. No significant issues have been identified. A number of actions for the current year are identified and will be addressed during the year.
- 4.3 The Leader of the Council and the Chief Executive are required to sign the Annual Governance Statement.

5. Review of Governance issues Identified in 2015/16 Annual Governance Statement

Governance Issues

1 Task: Communicating and monitoring the effectiveness of the Council's reviewed Anti-Fraud and Corruption Policy, Whistle Blowing Policy and Anti- Money Laundering Policies.

Update: The governance policies were communicated to staff via email when implemented. The method for monitoring of compliance with these policies will be considered by the Risk Management Group

2 Task: Review training programme on revised Contract Standing orders, to ensure that all contracting officers have attended training on the Contract Standing orders, procurement procedures and contracts register

Update: Complete all purchasing officers have completed the training. Further training being developed on purchasing off frameworks

3 Task: all new members are trained to the same standard as existing members on Revised Code of Conduct

Update: Training completed for all new Councillors

4 Task: Media guidelines for councillors

Update: In view of the increased use of social media for communications and engagement, the Council will consider adopting social media guidance for staff and councillors now that Digital Strategy is complete.

5 Task: Confidential Information Review- need for protocol

Update: - Review need for separate protocol or updating Officer/Member Protocol during 2016/17

6 Task: following review of Complaints Procedure staff to be advised of new procedures and policy to be disseminated.

Update: Directors Management Board and Senior Leadership Team briefed on policy and disseminated throughout staff structure and policy placed on council's website.

7 Task:- Transparency Code -complete the work required to comply with the Code of Recommended Practice of Local Authorities on Data Transparency Dec 2015 in relation to land ownership.

Update:-Code Registered Rushmoor Land and Building Assets is published on Data.Gov.uk and will be updated as further land is registered by the Legal service. <https://data.gov.uk/dataset/rushmoor-land-ownership-and-assets>. Audit due to do a review of Code compliance in current municipal year.

8 Task:- Equality Objectives Work towards "developing standard" of the Public Sector Equalities Duty across the Council

Update:- Initial review completed – further work needed.

9 Task: Fraud- Embed the new arrangement for investigating corporate fraud resulting from the transfer of the benefit investigation function to the DWP and monitor effectiveness

Update: completed – trial of two corporate investigation officers completed and reviewed by Cabinet in April 2017, and due to its success, roles made permanent.

10 Task: Project management- strengthening management and governance of projects associated with the 8-Point Plan, developing and implementing a programme of improvement for Capital Project Management and projects generally. In terms of capital projects, the Council considered an internal audit report in October 2015 for improvement and review by the Asset Management Group.

Update: A follow up on the recommendations made within the Capital Projects audit report is due to be carried out in the next 6 months to ensure that these have been picked up by the Asset Management Group.

11 Task: Peer Review- Respond to the findings of the Peer Challenge and agree and implement an action/ improvement plan.

Update: Key recommendations from the Peer Review have been incorporated into our DMB performance management and project governance processes.

12 Task: Scheme of Delegation review

Update: To be completed

13 Task: Risk Management- Review and update the Risk Management Policy and the Corporate Risks Register

Update: Policy under review. Cross service group of senior managers is working to update the Corporate Risk Register and risk policy, updating policies and procedures, holding risk workshops run by the Council's insurers and ensuring implementation of policies across the Council.. The Head of Financial Services will report on progress to Directors Management Board and the Licensing and General Purposes Committee during the current municipal year.

14 Task: - Training on new roles and responsibilities Licensing & General Purposes Committee following amalgamation

Update:- June 2016 L&GP received report alongside the draft Statement of Accounts to remind L&GP on their role and responsibilities around approval of the statements, providing members with the opportunity to discuss how they gain assurance and from what sources.

15 Task: - Review of Code of Governance to reflect the Delivering Good Governance in Local Government: Framework (2016 Edition

Update: – Review complete – new Code of Governance is on this agenda for approval by this committee and will then be adopted by Council

Further Information:

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Background information:

the Accounts and Audit code of Regulations 2015
CIPFA Guidance – Delivering Good Governance in Local Government 2016