

Taunton Deane Borough Council

Corporate Governance Committee – 20 June 2017

Draft Annual Governance Statement 2016/17

Report Author: Richard Doyle, Corporate Strategy & Performance Manager

1 Purpose of the Report

- 1.1 Local authorities are required to prepare an Annual Government Statement (AGS) to be transparent about their compliance with good governance principles. This includes reporting on how they have monitored and evaluated the effectiveness of their governance arrangements in the previous year, and setting out any planned changes in the coming period.
- 1.2 This report outlines the changes to the format of the Statement as recommended in good practice guidance, and sets out a review of actions from last year's Statement and a proposed set of actions for the 2017/18 year.

2 Recommendations

- 2.1 Members of the Corporate Governance Committee are asked to review the draft Annual Governance Statement attached to this report and to recommend its adoption by the Leader of the Council and the Chief Executive.

3 Risk Assessment

- 3.1 No significant risks have been identified in respect of this report.

4 Changes to the format of the Annual Governance Statement (AGS)

- 4.1 Good practice guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) has led to changes to the format of this year's Statement. Previously the Council's AGS included a good deal of description about the Council's governance arrangements in addition to providing a set of actions and an opinion on the Council's governance.
- 4.2 However, best practice now requires that Statements shed the description in order to give greater prominence to:
 - An opinion on the Council's governance arrangements from the Council's senior managers and the leader of the Council

- A review of the effectiveness of the Council's governance arrangements
- A review of the action plan from last year's statement
- An action plan for 2017/18

4.3 The AGS for 2016/17 will now follow this structure.

4.4 The Corporate Governance Officers Group has led the 2016/17 review of the governance framework. The group includes the Monitoring Officer (Assistant Chief Executive), the deputy s151 Officer the internal Audit Manager, the Assistant Director Corporate Services and the Corporate Strategy & Performance Manager. The conclusions from this review are that overall the Council's governance framework is reasonable and fit for purpose.

4.5 The draft Annual Governance Statement is appended to this report.

5 Links to Corporate Aims / Priorities

5.1 None in respect of this report.

6 Legal Implications

6.1 The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement prepared to fulfil this requirement should form part of the Council's Statement of Accounts. The report is therefore coming to the Committee to meet this purpose and that timescale. The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance *Delivering Good Governance in Local Government: Framework (2016)* fulfils this requirement and I confirm that the Statement put forward with this report is compliant with that guidance/framework.

7 Consultation Implications

7.1 The Annual Governance Statement has been developed by the Corporate Governance Officers Group which includes the deputy S151 officer.

8 Finance/Resource, Environmental Impact, Safeguarding and/or Community Safety, Equality and Diversity, Social Value, Partnership, Health and Wellbeing, and Asset Management Implications

8.1 None in respect of this report.

Democratic Path:

- **Corporate Governance Committee – Yes**
- **Corporate Scrutiny – No**
- **Executive – No**
- **Full Council – No**

Reporting Frequency: Annually

List of Appendices

Appendix A	Draft Annual Governance Statement 2016/17
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Contact Officers

Name	Richard Doyle
Direct Dial	01823 218743
Email	r.doyle@tauntondeane.gov.uk

Annual Governance Statement 2016/17

Introduction

This is Taunton Deane Borough Council's Annual Governance Statement for 2016/17. It provides:

- An *opinion* on the Council's governance arrangements from the Council's Chief Executive and the Leader of the Council
- A review of the *action plan* from last year's statement
- An *action plan for 2017/18*
- A review of the *effectiveness* of the Council's governance arrangements

The Statement will be published on the Council's website and will also form part of the Council's Statement of Accounts. The Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015.

Statement of Opinion

It is our opinion that the Council's governance arrangements in 2016/17 were sound and give reasonable assurance in order to achieve the Council's priorities and challenges in 2017/18.

SIGNATURES

Signed on behalf of Taunton Deane Borough Council

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Date

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Date

Penny James
Chief Executive

Cllr John Williams
Leader of the Council

SIGNIFICANT GOVERNANCE ISSUES

Progress in 2016/17

1. This is a review of the progress during 2016/17 on the priorities for that year:

Actions that were planned for 2016/17	Progress	Status
Introduce a corporate process for reviewing and documenting decisions regarding the prioritisation of internal audit recommendations.	There is now a process in place and the Corporate Governance are satisfied that in the current climate it is fit for purpose. There is no need for a further review	Completed and Closed
Facilitate a self-assessment of the effectiveness of the Corporate Governance Committee (based upon CIPFA guidance 2013) and identify training needs flowing from this.	Audit Committee Training was provided by SWAP in October 2016 and received positive feedback. Good progress made on self-assessment for members but this will need to continue. More training planned to be provided by SWAP in 2017/18	In Progress and ongoing
Undertake a review of the Scrutiny/ Decision-Making Processes within the Council to ensure it is efficient and effective in terms of both officer and member involvement	Following the Council's decision in the summer of 2016 this will be progressed as part of Transformation and the possible new Council implementation.	Completed and closed

Action Plan for 2017/18

2. This is an Action Plan of particular governance priorities that the Council will address during 2017/18.

	Action now planned for 2017/18	Timescale for Completion	Responsible Officer	Monitoring Body
1	Review our approach to the Risk Management culture. Research and consider risk appetite statements, improving manager's perception of risk and taking into account good practice elsewhere.	March 2018	AD Corporate Services	Corporate Governance Officer Group
2	To prepare the Corporate Governance process for Transformation and the possibility of a new Council	March 2018	AD Strategic Finance and S151 Officer & Assistant Chief Executive	Corporate Governance Officer Group

Reviewing Our Effectiveness

3. Taunton Deane Borough Council has responsibility for conducting, at least annually, a review of its governance framework including the effectiveness of the system of internal control.
4. The review for the 2016/17 statement was carried out on 5th June 2017 by officers of the Corporate Officers Governance Group, made up of the Internal Audit Manager, Section 151 Officer, Monitoring Officer and the Corporate Strategy & Performance Manager.
5. The review of the effectiveness is informed by senior managers within the Council who have responsibility for the development and maintenance of the governance environment, and also by the work of the internal auditors and external auditors
6. The opinion of the Internal Auditors was that overall the control environment was reasonable in 2016/17 (the opinion was also "reasonable" in 2015/16).
7. In its review of effectiveness, the Authority has assessed its overall governance arrangements remain adequate and fit for purpose.
8. Some areas where further improvements could be made have been identified and have been included within the 2017/18 Action Plan which we will seek to address during the 2017/18 financial year.

AGS Process and Sources of Assurance Overview

