

Taunton Deane Borough Council

Corporate Governance Committee – 19 June 2018

Draft Annual Governance Statement 2017/18

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 sets out a review of the actions from last year's Statement and a proposed set of actions for the 2018/19 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 Format of the Annual Governance Statement (AGS)

- 4.1 Best practice now requires that Statements 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 2018/19
- 4.2 The Corporate Governance Officers Group has led the 2017/18 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.

4.3 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 2017/18
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Contact Officers

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Annual Governance Statement 2017/18

Introduction

This is Taunton Deane Borough Council's Annual Governance Statement for 2017/18. 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 2018/19*
- A review of the *effectiveness* of the Council's governance arrangements

The Statement will be published on the Council's website alongside 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 2017/18 were sound and give reasonable assurance in order to achieve the Council's priorities and challenges in 2018/19.

SIGNATURES

Signed on behalf of Taunton Deane Borough Council



Penny James
Chief Executive

Cllr John Williams
Leader of the Council

SIGNIFICANT GOVERNANCE ISSUES

Progress in 2017/18

1. This is a review of the progress during 2017/18 on the priorities for that year:

Actions that were planned for 2017/18	Progress	Status
<p>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.</p>	<p>With the design of the new framework for behaviours as part of the Transformation Programme, we are developing a risk management culture as part of the transition. The recent launch of the consultation on the staff restructure highlighted the need to empower staff to improve their perception of risk and to become risk takers. Also as part of the 18/19 Audit Plan there will be an audit on "Healthy Organisation" which will assess risk management arrangements.</p>	<p>Ongoing</p>
<p>To prepare the Corporate Governance process for Transformation and the possibility of a new Council.</p>	<p>There is a 'New Council' work stream as part of the overall Transformation Programme with a designated Governance Project to develop a proposed governance structure and constitution for the new council should it be established. Overall timescale of having a new authority up and running from 1 April 2019 and for elections in May 2019 is still on track with the first meeting of the Shadow Authority anticipated to be held in June 2018.</p>	<p>Ongoing</p>

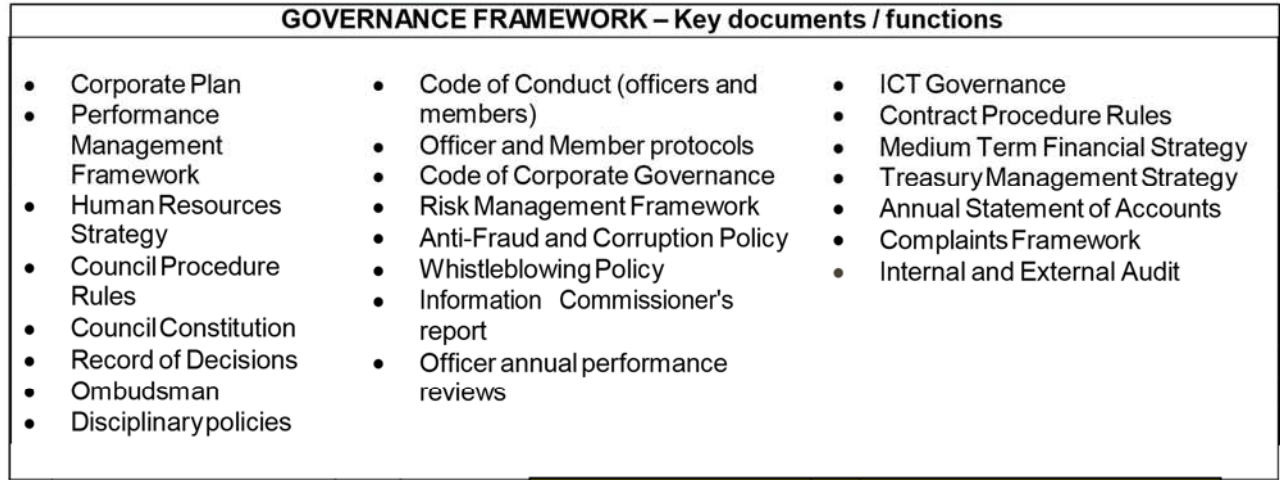
Action Plan for 2018/19

2. This is an Action Plan of particular governance priorities that the Council will address during 2018/19.

	Action now planned for 2018/19	Timescale for Completion	Responsible Officer	Monitoring Body
1	To implement and develop our new Risk management culture.	March 2019	Head of Performance and Governance	Corporate Governance Officer Group
2	To implement the Corporate Governance process for the Shadow Council and the new transformed Council.	March 2019	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 2017/18 statement was carried out on 27th February 2018 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 Auditor was that overall the control environment was "reasonable" in 2017/18 (the opinion was also "reasonable" in 2016/17).
7. In its review of effectiveness, the Council 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 2018/19 Action Plan which we will seek to address during the 2018/19 financial year.



Annual Governance Statement

Signed by the Leader of the Council and Chief Executive and published with the Statement of Accounts

Review and approval of the AGS by Corporate Governance Committee

Council's Assurance Framework

Corporate Governance Officer Group

Responsible for drafting the AGS after evaluating the assurance framework

Review of effectiveness of the system of internal audit

Performance Management	Risk Management	Legal and Regulatory Assurance	Member's Assurance	Management Assurance	Other Sources of Assurance	Financial Management	Internal Audit	External Audit
Corporate Plan	Risk Management Strategy	Monitoring Officer function	Standards Advisory Committee	Performance reviews	Ombudsman Reports	Medium Term Financial Plan	Reporting to Corp Governance Committee	Annual Plan
Service Plans	Business Continuity Plans	Solicitor to the Council function	Scrutiny Committees	Corporate Governance Officer Group	Client Monitoring	Revenue and Capital monitoring	Annual Audit Opinion	Reporting to Corp Gov Committee
Performance indicators	Insurance policies	Anti-fraud and corruption policy	Corp Governance Committee	Performance reporting	Information Commissioner decisions	Treasury management	Audit Findings	Audit Opinion and VFM conclusion
Complaints	Financial Reserves	Anti Bribery Policy	Code of Conduct	Service plans		Statement of accounts	Audit advice	Statement of accounts work
Satisfaction Surveys		Whistleblowing policy	Declaration of interests	Budget monitoring		Compliance with codes of accounting		