

ANNUAL GOVERNANCE STATEMENT 2017-18

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| 25 July 2018 | Governance and Audit Committee |
| Report Author | Director of Corporate Governance and Monitoring Officer |
| Status | For Decision |
| Classification: | Unrestricted |
| Ward: | All wards |

Executive Summary:

To provide the Governance and Audit Committee with the draft Annual Governance Statement 2017/18.

Recommendation(s):

Committee agree the draft Annual Governance Statement 2017/18 which will be shared with our external auditors for amendment (if necessary) prior to publication..

CORPORATE IMPLICATIONS

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| Financial and Value for Money | There are no specific cost implications arising from this report which have not already been budgeted for. | | | | | | |
| Legal | Regulation 6(1)(a) of the Accounts and Audit regulations 2015 require the council to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published statement of accounts. Regulation 6(1)(b) of the Regulations require that the statement is the Annual Governance Statement. | | | | | | |
| Corporate | The Annual Governance Statement is a corporate document and as such should be owned by all senior officers and members of the authority. Failure to accept the AGS will diminish the council's governance arrangements. | | | | | | |
| Equality Act 2010 & Public Sector Equality Duty | <p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td></tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td><td style="text-align: center;">x</td></tr> <tr> <td>Advance equality of opportunity between people who share a</td><td style="text-align: center;">x</td></tr> </table> | Please indicate which aim is relevant to the report. | | Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, | x | Advance equality of opportunity between people who share a | x |
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| Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, | x | | | | | | |
| Advance equality of opportunity between people who share a | x | | | | | | |

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| | protected characteristic and people who do not share it | |
| | Foster good relations between people who share a protected characteristic and people who do not share it. | x |
| The AGS supports the public sector equality duty directly. | | |

| CORPORATE PRIORITIES (tick those relevant)✓ | |
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| A clean and welcoming Environment | |
| Promoting inward investment and job creation | |
| Supporting neighbourhoods | x |

| CORPORATE VALUES (tick those relevant)✓ | |
|--|---|
| Delivering value for money | x |
| Supporting the Workforce | x |
| Promoting open communications | x |

1.0 Introduction and Background

- 1.1 The annual governance statement (AGS) is a statutory document which explains the processes and procedures in place to enable the council to carry out its functions effectively.
- 1.2 The statement is produced following a review of the council's governance arrangements and includes an action plan to address any significant governance issues identified.
- 1.3 Governance and Audit Committee will consider this draft AGS and assurance gathering process. The AGS will then be audited and the Monitoring Officer will make any necessary changes before final publication on the 31 July 2018..

2.0 The Current Situation

- 2.1 The draft AGS, which is attached at Annex 1, should reflect the corporate governance environment of the council as detailed in the adopted Local Code of Corporate Governance. In essence, the AGS is the formal statement that recognises, records and publishes the council's governance arrangements.
- 2.2 The AGS is a key corporate document, and the Leader and Chief Executive have joint responsibility as signatories for its accuracy and completeness. In order to ensure that the AGS accurately reflects our Governance Framework, a number of sources of assurance are gathered to feed into the preparation of the document. It has been consulted upon with the Leader, Chief Executive / Section 151 Officer and all members of Corporate Management Team.
- 2.3 An action plan will be developed to address the governance issues identified. This will be monitored through the council's monitoring system and an update report will be provided to Governance and Audit Committee on a quarterly basis.

3.0 Process for developing the Annual Governance Statement

- 3.1 The Chief Executive, directors are required to complete an assurance statement which highlights any areas of weakness they perceive within the

council. These assurance statements are then collated and significant issues identified are incorporated into the AGS.

- 3.2 Assurances were also sought from other areas within the council such as the Section 151 Officer and the Monitoring Officer regarding the operation of the governance framework. The following key areas also completed an assurance statement on compliance with the council's Performance Management and Data Quality frameworks, Procurement Strategy and Risk Management Strategy, identifying any governance issues that need to be addressed in the forthcoming year.
- 3.3 Statements were provided by the shared service partners we work with on compliance with the governance arrangements in place, and from EKHR in connection with the general principles of good conduct of officers.
- 3.4 The annual reports prepared by the chairs of Overview & Scrutiny Panel and Governance & Audit Committee were also referred to when preparing the AGS.
- 3.5 Assurance has been sought and obtained from the East Kent Audit Partnership. The auditors undertake regular audits on the council's governance arrangements and the control and risk frameworks. Their findings have been incorporated into the council's AGS. Members have previously received an assessment as to the effectiveness of the council's internal audit arrangements which concluded that the audit partnership is delivering an effective internal audit function which ensures that Members are confident with the reliance that can be placed in the auditors assurances on the council's governance arrangements..

4.0 Options

- 4.1 That Members accept the draft Annual Governance Statement 2017/18.
- 4.2 That Members propose changes to the draft Annual Governance Statement 2017/18

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| Contact Officer: | Tim Howes, Director of Corporate Governance |
| Reporting to: | Madeline Homer Chief Executive |

Annex List

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| <i>Annex 1</i> | Draft Annual Governance Statement |
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Background Papers

| Title | Details of where to access copy |
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Corporate Consultation

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| Finance | Ramesh Prashar Head of Finance |
| Legal | Sophia Nartey Interim Head of legal Services |