

Audit & Governance Committee

Date of Meeting: 31 May 2018

Report Title: Draft Annual Governance Statement (AGS) 2017/18

Senior Officer: Jan Willis, Interim Executive Director of Corporate Services

1. Report Summary

- 1.1. Each year, Cheshire East Council produces an Annual Governance Statement that explains how it makes decisions, manages its resources and promotes values and high standards of conduct and behaviour. The draft Statement, at Appendix A, reflects activity over the 2017/18 financial year, and by the final version, will include activity up to the date of the approval of the Council's Statement of Accounts.
- 1.2. The purpose of this report is for the Committee to consider the draft Annual Governance Statement 2017/18. The assurances considered in producing the Annual Governance Statement are key indicators and contributors to the Council's corporate objective of being a responsible, effective and efficient organisation.

2. Recommendations

- 2.1. The Committee is asked to:
 - 2.1.1. Consider and comment upon the draft Annual Governance Statement 2017/18 (Appendix A); and
 - 2.1.2. Note that the final statement will be considered by this Committee by the end of July 2018, prior to its approval and publication on the Council's website.

3. Reasons for Recommendation/s

- 3.1. In accordance with the Accounts and Audit Regulations 2015, the final Annual Governance Statement should be approved by Members of the Council meeting as a whole, or by a Committee by 31st July 2018. The

Audit and Governance Committee has delegated authority to approve the Annual Governance Statement.

- 3.2. In the interests of best practice and early engagement, this draft of the 2017/18 Annual Governance Statement is brought to the Committee for information and to receive comment from Members.
- 3.3. The final statement will be considered by this Committee by the end of July 2018, prior to its approval and publication on the Council's website.

4. Other Options Considered

- 4.1. Not applicable; this is a statutory requirement of the Accounts and Audit Regulations 2015.

5. Background

- 5.1. There is a strong correlation between effective governance and effective service delivery. Whilst the statement by its nature is only signed off once a year, the process of review is continuous, so as to give assurance on the effectiveness on the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority.
- 5.2. The Corporate Assurance Group is responsible for drafting the AGS and the draft has also been considered by the Corporate Leadership Team. The review of governance arrangements in place for 2017/18 has been informed by the work of Internal Audit, Senior Managers, comments made by the External Auditors and other review agencies/inspectionates. Further detail on the sources of assurance is provided in the draft Statement.
- 5.3. In order that Members may discharge their duties, the Committee received reports, information and training throughout the period under review, including but not limited to;
 - Progress updates on items included in previous Annual Governance Statements
 - Internal Audit Annual Report for 2017/18, which includes the Annual Audit Opinion.
 - Interim update reports from Internal Audit and Risk Management

A workshop for Members to examine the draft AGS and supporting documentation will be offered prior to the final AGS being considered by the Committee.

- 5.4. Once approved, the AGS will be signed by the Leader and the Chief Executive and the AGS will then be published on the Council's website, along with the Statement of Accounts by the 31st July deadline to be

available for the public, members, officers, partners and other stakeholders to view.

- 5.5. Updates on progress against issues raised in the 2017/18 Statement will be brought to the Committee during 2018/19.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. The production of the Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit Regulations 2015, which sets out the timescales by which they must be published.

6.1.2. The preparation and publication of the draft Annual Governance Statement has been carried out in accordance with the guidance produced by the Chartered Institute of Public Finance (CIPFA): “Delivering Good Governance in Local Government (2016)”. The Council’s Code of Corporate Governance has been reviewed and updated in light of the guidance, and was approved by Cabinet in January 2017. It is against the updated Code of Corporate Governance that the annual review has been carried out.

6.2. Finance Implications

6.2.1. There are no specific financial implications. The production of the AGS aligns with the production of the Annual Accounts and will be published alongside the audited accounts.

6.3. Policy Implications

6.3.1. There are no policy implications identified.

6.4. Equality Implications

6.4.1. There are no equality implications identified.

6.5. Human Resources Implications

6.5.1. There are no human resource implications identified.

6.6. Risk Management Implications

6.6.1. The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit Regulations 2015. Failure to do so could result in non-compliance with the requirements of the Regulations.

6.6.2. The draft Annual Governance Statement identifies any significant governance risks and the action plan details the mitigation to those risks.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

7. Ward Members Affected

7.1. All Ward Members are affected as the Annual Governance Statement is a statutory requirement for the Council.

8. Access to Information

8.1. Progress on managing and monitoring the discrete actions identified to manage and resolve issues has previously included in the Annual Governance Statement is regularly reported upon to the Audit and Governance Committee. These updates are provided through previous Annual Governance Statements, and most recently in an update provided to the Committee in December 2017.

9. Contact Information

9.1. Any questions relating to this report should be directed to the following officer:

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