

CHESHIRE EAST COUNCIL

REPORT TO: Audit and Governance Committee

Date of meeting: 30th June 2016
Report of: Corporate Assurance Group
Title: Draft Annual Governance Statement (AGS) 2015/16
Portfolio Holder: Councillor Peter Groves

1.0 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. It reflects activity over the 2015/16 financial year, and by the final version, will include activity up to the date of the approval of the Council's Statement Accounts.
- 1.2 The purpose of the report is for this Committee to consider the draft Annual Governance Statement 2015/16. The final version of the AGS will be brought to the Committee in September 2016
- 1.3 The draft Annual Governance Statement sets out:
- how the Council complies with its own governance arrangements;
 - how the Council monitors the effectiveness of the governance arrangements; and
 - any improvements or changes in governance arrangements proposed during the forthcoming year.

2.0 Recommendation

- 1.4 The Committee is asked to:
- 1.5 consider and comment upon the draft Annual Governance Statement 2015/16 at Appendix A; and
- 1.6 note that the final statement will be considered by this Committee at its September meeting prior to its approval and publication on the Council's website.

3.0 Reasons for Recommendation

- 3.1 In accordance with the Accounts and Audit Regulations (England) 2015, the final Annual Governance Statement should be approved by Members of the

Council meeting as a whole, or by a Committee by 30 September 2016. 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 Annual Governance Statement is brought to the Committee for information and comment from Members.

4.0 Wards Affected

- 4.1 All wards.

5.0 Local Wards Affected

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 None.

7.0 Financial Implications

- 7.1 No specific financial implications. The production of the AGS 2015/16 aligns with the production of the Annual Accounts and is published alongside the audited accounts (approved by end of September 2016).

8.0 Legal Implications

- 8.1 The Production of the Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015.

9.0 Risk Assessment

- 9.1 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 (England) Regulations 2015. Failure to do so could result in non-compliance with the requirements of the Regulations.

10.0 Background

- 10.1 There is a strong correlation between effective governance and effective service delivery. The purpose of the AGS process is to provide a continuous review of the organisation's governance arrangements so as to give assurance on the effectiveness on the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority. This report and Appendix A are the results of that review.

- 10.3 The Corporate Assurance Group is responsible for drafting the AGS; supporting evidence is collected and collated by Internal Audit. The draft has also been considered by the Management Group Board.
- 10.4 The review of governance arrangements in place for 2015/16 has been informed by the work of Internal Audit and senior managers and also comments made by the External Auditors and other review agencies/inspection bodies. The sources of assurance include:
- Disclosure statements completed by Senior Managers, reflecting upon the application of governance processes and adequacy of controls within their areas of responsibility;
 - Senior managers have reviewed the significance of joint working arrangements in their areas of responsibility, and reported on the governance arrangements of those identified as highly significant;
 - Outcomes from external inspection bodies and review agencies, including External Audit, Ofsted and the Care Quality Commission amongst others.
 - Internal Audit, through the annual and interim reports;
 - Directors and Managers assigned with the ownership of risks and delivery of services through the risk management process; and
 - The Section 151 Officer and the Monitoring Officer in meeting statutory responsibilities.
- 10.5 In order that Members may discharge their duties, the Committee received reports, information and training throughout the period under review including:
- Internal Audit Annual Report for 2015/16, which includes the Annual Audit Opinion.
 - Interim update reports from Internal Audit and Risk Management
 - Member Officer group on Corporate Governance and the AGS
- 10.6 Through the reviews done to produce this Annual Governance Statement we have again been able to demonstrate that work within the Council is generally carried out to the high standards local people expect and need. While there may be isolated exceptions, we can be increasingly confident that our culture, values, and ways of working reduce the opportunity for poor or inappropriate practice to occur, and increase the likelihood of detection and rectification if they do.
- 10.7 The Chief Operating Officer, as the Council's Section 151 Officer, endorses the annual Internal Audit opinion on the Council's control environment that:

The Council's framework of risk management, control and governance is assessed as adequate for 2015/16.

- 10.8 A workshop for Members to examine the draft AGS and supporting documentation will take place prior to the September committee meeting.
- 10.9 Once finalised, the AGS will be published on the Council's website, along with the Statement of Accounts by the 30 September deadline so that the public, members, officers, partners and other stakeholders can view. Updates on progress against issues raised in the 2015/16 Statement will be brought to the Committee during 2016/17.

11.0 Access to information

The background papers relating to this report can be inspected by contacting the report writer:

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