

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 23 JUNE 2015

**CORPORATE GOVERNANCE – ANNUAL REVIEW AND
DRAFT ANNUAL GOVERNANCE STATEMENT FOR YEAR TO 31 MARCH 2015**

REPORT BY RICHARD STIFF, CHIEF EXECUTIVE

ABSTRACT

This report advises of the outcome of the Chief Executive's annual review of compliance with the council's Local Code of Corporate Governance and presents the draft Annual Governance Statement for consideration.

1. RECOMMENDATION

It is recommended that the Scrutiny and Audit Committee:

- (i) consider the terms of the draft Annual Governance Statement (Appendix 1)
- (ii) note this will be signed by the Leader of the Council and the Chief Executive and will be included as part of the council's Annual Report and Accounts for submission to the Controller of Audit.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report supports services in the delivery of all local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016.

3. BACKGROUND

The council adopted a Local Code of Corporate Governance in 2002. The Code was updated in 2008 and has been reviewed on an annual basis. The Code is based on the CIPFA/SOLACE framework document, Delivering Good Governance in Local Government, published in 2008. CIPFA/SOLACE are currently reviewing the document and aim to publish an updated framework and guidance later this year.

The Code outlines the council's commitment to the principles of good governance and how it seeks to achieve compliance with these principles.

The Chief Executive is responsible for providing assurances annually to elected members that the council's approach to corporate governance is both appropriate and effective in practice, and these assurances are provided in the form of the annual governance statement.

The assurances provided by the Chief Executive are informed by:

- The work of the Corporate Governance Officers Group who, on behalf of the Chief Executive, conduct an annual self-assessment of compliance with the local code
- Assurances from directors in relation to their corporate governance and internal financial control arrangements
- Assurances from the Chief Financial Officer (S95 Officer) and Monitoring Officer
- The Audit Manager's annual report and opinion on governance, risk and internal control

4. CHIEF EXECUTIVE'S REVIEW OF COMPLIANCE 2014/15

The overall conclusion to the review is that during 2014/15 the council demonstrated that the governance arrangements and framework within which the council operates are sound and operating effectively and that the council is generally compliant with the requirements of the Local Code of Corporate Governance.

The Local Code and our internal governance arrangements will be reviewed during 2015/16 to ensure they remain fit for purpose. The review will also take account of any revisions to the CIPFA/SOLACE framework and guidance.

There are a number of developments which will be delivered in 2015-16 to strengthen the council's corporate governance. Some of these have been carried forward from 2014-15. The development areas are:-

- Review the council's counter-fraud framework
- Review the Local Code of Corporate Governance and the annual assurance process
- Develop a priority based approach to the allocation of scarce budget resources
- Review Standing Orders and Financial Regulations to ensure they properly reflect any changes to the council's reporting framework
- Develop a consistent approach to project governance, management information and benefits realisation, in support of the Transforming Angus programme of 'improving business processes'.
- Review the reporting of complaints
- Review procedures for carrying out and publishing equality impact assessments
- Continue to embed the Information Governance Framework throughout the council and deliver the Information Governance Improvement Plan
- Introduce a grading framework for chief officer posts below Executive Director level
- A review by Heads of Service of performance management arrangements is due to be completed by 30 June 2015.
- Any actions recommended by Audit Scotland in relation to their review of administrative procedures for the issue of exempt papers

5. ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement, which requires to be signed by the Leader of the Council and the Chief Executive, is attached as Appendix 1.

The statement is currently draft as the final statement requires to reflect the governance arrangements of the 'group' which, for the year to 31 March 2015, includes Tayside Valuation Board and Tayside Contracts. These assurances had not been received at the time of writing this report and therefore the draft assurances shown in the annual governance statement may be subject to change.

The final annual governance statement will be included in the annual report and accounts for submission to the Controller of Audit.

6. FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the terms of this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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Appendices

Draft Annual Governance Statement 2014/15