

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 21 JUNE 2016

**CORPORATE GOVERNANCE – ANNUAL REVIEW AND
DRAFT ANNUAL GOVERNANCE STATEMENT FOR YEAR TO 31 MARCH 2016**

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. RECOMMENDATIONS

It is recommended that the Scrutiny and Audit Committee:

- (i) note the findings of the self-assessment (Appendix 1);
- (ii) note the progress in addressing the improvement actions from the 2014/15 annual governance statement (Appendix 2);
- (iii) note the improvements which will be taken forward during 2016/17 (Appendix 3);
- (iv) consider the draft 2015/16 Annual Governance Statement (Appendix 4) and provide any comments;
- (v) note that the 2015/16 Annual Governance Statement 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/COUNCIL 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.

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 (Appendix 1)

- Assurances from directors in relation to their corporate governance and internal financial control arrangements
- Assurances from the Chief Financial Officer (S95 Officer), Monitoring Officer and Chief Social Work Officer
- The Audit Manager's annual report and opinion on governance, risk and internal control (Report 253/16 to this Committee)

4. CHIEF EXECUTIVE'S REVIEW OF COMPLIANCE 2015/16

The overall conclusion to the review is that during 2015/16 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 2014/15 review identified a number of developments which were expected to be delivered in 2015/16 to strengthen the council's corporate governance. These were included in an action plan, recorded in Covalent, and progress was reported to this committee in January 2016 (Report 29/16 refers). A further progress report is attached at Appendix 2. Five of the improvement actions have been carried forward for action during 2016/17 and two additional actions have been added to the new action plan (Appendix 3). Progress will be reported to this committee in January and June 2017.

The Local Code and our internal governance arrangements will be reviewed during 2016/17 to ensure they remain fit for purpose. The review will take account of the revised CIPFA/SOLACE Delivering Good Governance framework, published in April 2016, and the Scottish guidance notes due to be published later in the year.

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 4.

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 2016, 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

1. Self-assessment against the Local Code of Corporate Governance
2. Updated action plan from the 2014/15 Annual Governance Statement
3. Action plan from the 2015/16 Annual Governance Statement
4. Draft Annual Governance Statement 2015/16