

**ANGUS COUNCIL**

**SCRUTINY AND AUDIT COMMITTEE – 18 JUNE 2019**

**CORPORATE GOVERNANCE – ANNUAL REVIEW AND  
DRAFT ANNUAL GOVERNANCE STATEMENT FOR YEAR TO 31 MARCH 2019**

**REPORT BY MARGO WILLIAMSON, CHIEF EXECUTIVE**

**ABSTRACT**

This report advises of the outcome of the annual review of compliance with the principles of good governance and presents the draft Annual Governance Statement for consideration.

**1. RECOMMENDATIONS**

It is recommended that the Scrutiny & Audit Committee:

- (i) note the progress in addressing the improvement actions from the 2017/18 annual governance statement (appendix 1)
- (ii) consider the 2018/19 draft Annual Governance Statement, including actions to be taken forward during 2019/20 (Appendix 2), and provide any comments
- (iii) note that the 2018/19 draft Annual Governance Statement will be included in the Council's unaudited annual accounts, which will be submitted to the Controller of Audit in accordance with the statutory deadline of 30 June 2019
- (iv) note that the Statement will be kept under review and updated as necessary until the audited accounts are approved for signing in September. The final statement will be signed by the Leader of the Council and the Chief Executive.

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

This report supports the council's commitment to the principles of good corporate governance, which in turn supports services in the delivery of local outcomes set out in the Local Outcomes Improvement Plan and the Council Plan.

**3. BACKGROUND**

The Council's Local Code of Corporate Governance is reviewed and updated annually to ensure consistency with best practice and guidance, in particular the CIPFA/SOLACE framework *Delivering Good Governance in Local Government*. (Report 197/19 to this committee refers.)

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.

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 principles of good governance described in the Local Code
- Assurances from Service 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 Service Leader Internal Audit's annual report and opinion on governance, risk and internal control (Report 196/19 to this Committee)

#### **4. CHIEF EXECUTIVE'S REVIEW OF COMPLIANCE 2018/19**

The overall conclusion of the review is that during 2018/19 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 core principles of good governance.

Last year's review identified a number of developments which were expected to be delivered in 2018/19 to strengthen the council's corporate governance. An update is provided at Appendix 1.

The 2019/20 action plan is included within the Annual Governance Statement. Progress will be reported to this committee in January and June 2020.

#### **5. ANNUAL GOVERNANCE STATEMENT**

All local authorities are required to prepare an annual governance statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is expected to be consistent with the good governance principles in the *Delivering Good Governance* framework.

The council's draft Annual Governance Statement for 2018/19 is attached at Appendix 2. 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 2019, includes Tayside Valuation Board, Tayside Contracts, AngusAlive and Angus Health & Social Care Partnership. 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 require to be signed by the Leader of the Council and the Chief Executive and will be included in the annual report and accounts for submission to the Controller of Audit.

#### **5. FINANCIAL IMPLICATIONS**

There are no financial implications arising directly from 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. Updated action plan from the 2017/18 review of corporate governance
2. 2018/19 Annual Governance Statement (draft)