

**Classification:** Part 1 – Public

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee

**Date:** 11 June 2019

**Reporting officer:** Stuart Bobby, Director (Corporate Services)

**Subject:** Annual Governance Statement: 2018-19

### **Purpose and summary of report:**

To seek approval from Members of the Finance and Audit Committee of the Annual Governance Statement for the 2018-19 financial year.

### **Recommendations:**

1. Members note the findings of the review of the council's governance arrangements for 2018-19.
2. Members approve and support the Annual Governance Statement for the 2018-19 financial year.

### **1. Background**

- 1.1 In 2016 the council's Code of Corporate Governance ("the Code") was subject to review to ensure the council's arrangements are consistent with the core principles as set out in the '*Delivering Good Governance*' framework, published by the Chartered Institute of Public Finance (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The council's new Code was adopted by Full Council in February 2017.
- 1.2 To assess compliance with the Code, the council is required to conduct an annual review of the effectiveness of its governance framework and system of internal control. The results of this review, carried out in line with the core principles of the Code, inform the production of the council's Annual Governance Statement, presented as part of the Statement of Accounts.
- 1.3 The Annual Governance Statement (AGS) is therefore intended to be a public assurance statement representing the governance and internal control arrangements adopted by the council. Following its approval by the Finance and Audit Committee, the AGS is required to be signed by the most senior officer and most senior Member of the authority.

## **2. Review of Governance Arrangements**

- 2.1 The review of the council's 2018-19 governance arrangements was conducted by the Corporate Performance Manager in accordance with the principles adopted by the council's Code of Corporate Governance, itself a framework designed upon the guidance issued by CIPFA/SOLACE.
- 2.2 As part of this review, assurance of the effective operation of the council's governance arrangements has been sought from a number of sources. All source material, including the results of the review itself, are itemised at appendix two of this report and have been previously shared with Members of the Committee.
- 2.3 The review established that the authority has adequate governance arrangements in place. Whilst no significant issues were identified, the review did present some opportunities to further develop and strengthen the council's governance and internal control environment.
- 2.4 Members are asked to note the findings of the review of the council's governance arrangements for 2018-19.

## **3. Annual Governance Statement 2018-19**

- 3.1 The Annual Governance Statement for 2018-19 has therefore been prepared based on the findings of the review of governance arrangements. A copy of the statement, including a relevant suite of actions for consideration, is attached at appendix three to this report.
- 3.2 Members are requested to approve and support the Annual Governance Statement for the 2018-19 financial year.

## **4. Background Papers**

- 4.1 Background papers relating to this report are:
  - *Delivering Good Governance in Local Government*: CIPFA/SOLACE 2016;
  - *Code of Corporate Governance*: Gravesham Borough Council; and
  - *Annual Review of Governance Arrangements 2018-19 (and all supporting information itemised at Appendix Two to this report)*: Gravesham Borough Council

Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS	APPENDIX ONE
<p><b>Legal</b></p>	<p>The Accounts and Audit Regulations 2011 place a statutory requirement on authorities to conduct a review at least once a year of the effectiveness of its system of internal control and to prepare an annual governance statement in accordance with proper practice in relation to internal control. Proper practice has been defined as that set out in ‘<i>Delivering Good Governance in Local Government</i>’, published by CIPFA/SOLACE. The review referred to in this report and the AGS have both been prepared with due consideration of this proper practice.</p> <p>Assurances are sought from the Monitoring Officer in relation to ensuring all legal functions have been undertaken during the financial year.</p> <p>The Monitoring Officer is also a member of the AGS Assurance Group and, as such, comments made by the Monitoring Officer have been taken into account in drafting the Annual Governance Statement.</p>
<p><b>Finance and Value for Money</b></p>	<p>There is a statutory requirement for the Annual Governance Statement to accompany the Statement of Accounts. Therefore it is intended that the draft statement is presented to the Finance &amp; Audit Committee for approval so that it can ultimately be presented alongside the Statement of Accounts.</p> <p>Assurances are sought from the Chief Financial Officer/Section 151 Officer in relation to ensuring all financial functions have been undertaken during the financial year.</p> <p>The Chief Financial Officer/Section 151 Officer is also a member of the AGS Assurance Group and, as such, comments made by the Chief Financial Officer/Section 151 Officer have been taken into account in drafting the Annual Governance Statement.</p>
<p><b>Risk Assessment</b></p>	<p>Failure to approve the Annual Governance Statement could expose the authority to the risk of receiving a qualified opinion on the Statement of Accounts.</p> <p>The purpose of the governance review is to identify any potential areas of weakness or areas of further improvement, in order to minimise the risk facing the council in these areas. Failure to take action in relation to the issues identified at section six of the Annual Governance Statement could have a negative effect on the continuous development of the governance arrangements operated by Gravesham Borough Council.</p>
<p><b>Data Protection Impact Assessment</b></p>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>?</p> <p>A definition of each type of data can be found on the Information Commissioner’s Office website via the above links. <b>No</b></p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.</p> <p>N/A</p>

**IMPLICATIONS**

**APPENDIX ONE**

<b>Equality Impact Assessment</b>	<b>Screening for Equality Impacts</b>		
	<b>Question</b>	<b>Answer</b>	<b>Explanation</b>
	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?  N/A		
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?  N/A		
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>		
<b>Corporate Plan</b>	Ensuring the council has the adequate governance and internal control arrangements in place contributes to all aspects of the council’s Corporate Plan and specifically to delivering Corporate Objective #4 - <i>sound and self-sufficient council</i> .		
<b>Crime and Disorder</b>	The Annual Governance Statement reviews all governance and control arrangements in place throughout the authority. Whilst there are no direct implications in relation to Crime and Disorder, good governance makes a positive contribution to Community Safety in its broadest sense.		
<b>Digital and website implications</b>	In terms of the council's governance arrangements, the council's digital services provide a key role in publishing a number of core documents and datasets. On approval, the AGS specifically will be published to the council’s website to finalise the review process.		
<b>Safeguarding children and vulnerable adults</b>	The Annual Governance Statement reviews all governance and control arrangements in place throughout the authority. Whilst there are no direct implications from this report in relation to safeguarding children and vulnerable adults, the governance review has established the benefits of considering the safeguarding agenda in all core corporate decisions.		