

Audit and Governance Committee

Dorset County Council



Date of Meeting	12 March 2018
Officer	Chief Executive and Chief Financial Officer
Subject of Report	Draft Annual Governance Statement 2017/18
Executive Summary	<p>The Accounts and Audit (England) Regulations 2015 require a body such as the County Council to “approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.”</p> <p>The attached draft Annual Governance Statement (AGS) for 2017/18 sets out key features of the governance framework in place in the Authority and provides a review of its effectiveness. It has been prepared in line with the recommendations published by CIPFA and SOLACE, which were revised in 2016. In recognition of the greater flexibility provided by the revised framework, a different approach has been taken this year, with the aim of making the document more accessible, through the use of both evidence bases and brief case studies. The intention is also to include an accompanying ‘public facing’ summary with the final AGS.</p> <p>The “Review of Effectiveness” within the draft AGS is informed by the Council’s Local Code of Corporate Governance Compliance Assessment 2017/18, and in particular the eight elements on which the Council has identified areas for improvement. Similarly to the AGS itself, this has been refocussed to provide a more succinct document improving understanding and accessibility.</p> <p>The AGS also discusses those risks that are contained in the Councils Corporate Risk Register which are classified as ‘high’ and, as such, represent potential significant governance issues</p>

	<p>that the Council is currently facing and actively seeking to address.</p> <p>Members of the Committee can view both the full Compliance Assessment and Corporate Risk Register from the Intranet links noted in the Evidence section of this report.</p> <p>Under the 2015 regulations, the accounts are not approved by the Council (or the Committee to which the responsibility is delegated) until after the external audit has been carried out. At this stage this draft allows members an early view and an ability to inform the content.</p> <p>Final adoption of the AGS will take place, alongside the accounts, at the Audit and Governance Committee in July 2018. As the AGS has to reflect any significant issues that arise prior to its final approval, if necessary, subsequent amendments will be made to the draft document to reflect them and reported to this Committee.</p>
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment:</p> <p>Giving appropriate consideration to equalities issues is a key aspect of good governance, but there are no equalities issues arising directly from this report.</p> <hr/> <p>Use of Evidence:</p> <p>Evidence to inform the governance compliance assessment and then to complete the Annual Governance Statement has been provided by senior officers across the organisation. It includes policies and procedures of the County Council, the Constitution, and reports and minutes of Committees.</p> <p>Members can view both the Local Code of Corporate Governance Compliance Assessment 2017/18 and the Corporate Risk Register from the Council's internal Intranet.</p> <hr/> <p>Budget:</p> <p>There are no budget requirements arising directly from this report. The overall financial position of the County Council is one of the significant issues covered in the AGS. Addressing other issues identified in the compliance assessment or the AGS may have budgetary implications, which will be considered in the relevant action plans.</p> <hr/> <p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as:</p>

Draft Annual Governance Statement 2017/18

	<p>Current Risk: HIGH Residual Risk: HIGH</p> <p>The AGS refers to risks on the Council's corporate risk register which have been assessed as being 'High'.</p> <p>Other Implications:</p> <p>The "Review of Effectiveness" within the draft AGS explains the significant governance issues facing the Council.</p>
<p>Recommendation</p>	<p>The Committee is asked to:</p> <p>i) Consider and comment on the draft AGS for 2017/18 at appendix A, prior to its consideration by Cabinet.</p>
<p>Reason for Recommendation</p>	<p>Approval and publication of an AGS by the County Council is a statutory requirement and provides evidence that the County Council maintains high standards of governance and addresses significant shortcomings and risks.</p>
<p>Appendices</p>	<p>Appendix A: Draft AGS 2017/18</p>
<p>Background Papers</p>	<p>CIPFA / SOLACE publication: Delivering good governance in local government – framework</p>
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