

SURREY COUNTY COUNCIL

CABINET

DATE: 23 JUNE 2015

REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES AND RESIDENT EXPERIENCE

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: ANNUAL GOVERNANCE STATEMENT 2014/15



SUMMARY OF ISSUE:

Surrey County Council has a statutory duty under the Accounts and Audit (England) Regulations 2011 to publish an Annual Governance Statement (AGS). The AGS provides a comprehensive assessment of the council's governance arrangements. Once signed by the Leader of the Council and the Chief Executive, the AGS is incorporated into the Statement of Accounts and the Annual Report.

RECOMMENDATIONS:

It is recommended that:

1. the 2014/15 Annual Governance Statement (ANNEX A) is approved and signed by the Leader and the Chief Executive for inclusion in the Statement of Accounts and Annual Report; and
2. the Audit and Governance Committee continue to monitor the governance environment and report to Cabinet as appropriate.

REASON FOR RECOMMENDATIONS:

There is a statutory duty to annually review and report on governance. The identification of issues in governance and a responsive approach to addressing those issues is viewed as best practice.

DETAILS:

1. Surrey County Council's 'Code of Corporate Governance' describes the good governance principles adopted by the council and by which the governance arrangements are assessed. It also details the methodology by which the annual review of governance is undertaken.
2. The review of governance is overseen by the Governance Panel (Director of Legal and Democratic Services [Chair], Director of Finance, Chief Internal Auditor, senior representatives from HR and Organisational Development and Policy and Performance and the Risk and Governance Manager), which has responsibility for the development and maintenance of the governance environment and production of the AGS.

3. The annual governance review has provided a satisfactory level of assurance on the governance arrangements across all activities for the financial year ending 31 March 2015. The AGS (ANNEX A) has three main sections:
 - The governance environment – pages 3 to 8 (summarises the council's key policies, procedures and arrangements that evidence good governance; and includes the overall opinion of the Chief Internal Auditor)
 - Continually strengthening governance – page 9 (identifies areas for improvement)
 - Focus for 2015/16 – page 10 (outlines areas that the council will focus on during the year ahead to ensure continued good governance).
4. The AGS identifies two specific issues that have arisen during the year (ANNEX A, page 9), for which management action plans are being implemented by the identified responsible officers and monitored by scrutiny Boards and the Audit and Governance Committee.

CONSULTATION:

5. The Statutory Responsibilities Network, Chief Executives Direct Reports, the Chief Executive and the Leader of the Council have been consulted on the draft AGS and their comments are incorporated.
6. The Audit and Governance Committee considered the AGS at its meeting on 28 May 2015. The Leader of the Council and the Chief Executive introduced the AGS, proposed some additional wording and commended it to the Committee. No further changes were made during the discussion.
7. At the end of the discussion, the Committee made the following resolutions:
 - i. That the Committee is satisfied that the governance arrangements are represented correctly in the AGS; and
 - ii. That the Committee COMMENDS the draft AGS to the Cabinet, subject to additional amendments, for publication with the council's Statement of Accounts and Annual Report.

RISK MANAGEMENT AND IMPLICATIONS:

8. Strong governance arrangements support the council in the effective delivery of services and the achievement of objectives. Positive action to respond to the issues in the AGS will enhance the council's ability to mitigate risk.

Financial and Value for Money Implications

9. There are no direct financial implications. Continued improvements in governance will help to deliver value for money for residents.

Section 151 Officer Commentary

10. The Section 151 Officer is a member of the council's Governance Panel, as well as the Statutory Responsibilities Network and Chief Executives Direct

Reports. She is well sighted of key risks and the governance environment and confirms that all relevant matters are considered in the Annual Governance Statement.

Legal Implications – Monitoring Officer

11. The AGS is required by the Accounts and Audit (England) Regulations 2011 and forms part of the council's Statement of Accounts.

Equalities and Diversity

12. There are no direct equalities implications but any actions taken need to be consistent with the council's policies and procedures.

WHAT HAPPENS NEXT:

13. The AGS is signed by the Leader and the Chief Executive and incorporated into the council's 2014/15 Statement of Accounts and Annual Report.
14. The Audit and Governance Committee will continue to monitor the governance environment and report any significant issues to the Cabinet as appropriate.

Contact Officer:

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Consulted:

Governance Panel, Statutory Responsibilities Network, Chief Executives Direct Reports, Chief Executive, Audit and Governance Committee, Leader of the Council.

Annexes:

Annex A – Annual Governance Statement 2014/15.

Sources/background papers:

- Governance Panel minutes, governance review working papers, CIPFA/SOLACE Framework for Delivering Good Governance in Local Government, Code of Corporate Governance.

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