



Audit & Governance Committee  
26 May 2016

## 2015/16 Annual Governance Statement

### Purpose of the report:

This report presents the Annual Governance Statement, which summarises the council's governance arrangements for the financial year ending 31 March 2016.

### Recommendations

It is recommended that the committee:

1. Review the contents of the draft Annual Governance Statement (Annex A) to satisfy themselves that the governance arrangements are represented correctly; and
2. Commend the draft Annual Governance Statement to the Cabinet for publication with the council's Statement of Accounts.

### Introduction

- 1 The council is required to annually review the effectiveness of its governance arrangements and produce an Annual Governance Statement. Surrey County Council's Governance Strategy and Code of Corporate Governance details the six good governance principles adopted by the council and by which the governance arrangements are assessed. The Code of Corporate Governance 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, Democratic and Cultural Services [chair], Director of Finance, Head of HR, senior representative from Strategy & Performance, Chief Internal Auditor and Risk & Governance Manager), which has the responsibility for the development and maintenance of the governance environment and production of the Annual Governance Statement.
- 3 The 2015/16 annual governance review has provided a satisfactory level of assurance on the council's governance arrangements.

## Previous year's Annual Governance Statement

- 4 The 2014/15 Annual Governance Statement identified a number of areas that required strengthening in order to enhance the overall governance arrangements. Positive progress has been made in these areas and they are summarised below:
- 5 Children's and Safeguarding Service  
 - *There is a need to reduce reliance on long term agency resource particularly in management/supervisory roles;*  
 - *As the number of children in receipt of direct payments increases, the council must ensure it has robust systems in place to demonstrate that social care reviews are conducted in a timely manner in line with stated policy;*  
 - *The council needs to improve its administration of looked after children's personal finances to ensure it meets its statutory duty as the corporate parent.*
- 6 Action has been taken to address a number of the issues above and these have been reported through management action plan progress updates. More information is provided in the Internal Audit annual report that is included within this agenda.
- Contract Management
- 7 *There is a need to ensure that the council's central contract management system contains key information on significant contracts to enable effective contract monitoring and timely procurement.*
- 8 All significant new contracts awarded by Surrey County Council have embedded the contract management framework and overall progress has continued to be made regarding the use of the contract management system for performance reporting. Where appropriate, the key performance indicator functionality is also being used and further progress is expected throughout 2016.
- 9 Management action plan progress was reported as green in the internal audit half year report to the committee in December 2015.

## Annual Governance Statement 2015/16

- 10 The 2015/16 Annual Governance Statement developed by the Governance Panel is attached at Annex A. There are two main sections:

Section	Pages	Detail
The governance environment	3 to 8	Summarises the council's key policies, procedures and arrangements that evidence good governance.  Includes the overall opinion of the Chief Internal Auditor on the internal control environment.
Focus for 2016/17	9	Outlines areas that the council will focus on during the year ahead to ensure continued good governance.

## Consultation

- 11 The Statutory Responsibilities Network, Chief Executive, Leader of the Council, Deputy Leader and Cabinet Member for Business Services and Resident Experience have been consulted and their comments are incorporated.

## Monitoring and review

- 12 The Governance Panel will continually review the governance arrangements throughout the year and governance update reports will be presented to the Audit and Governance Committee throughout the year as appropriate.

## Implications

### Financial

- 13 There are no direct financial implications arising from this report. Continued improvements in governance will help to deliver value for money for residents.

### Equalities

- 14 There are no direct equalities implications of this report.

### Risk management

- 15 Strong governance arrangements support the council in the effective delivery of services and achievement of objectives.

## What happens next

The Annual Governance Statement will be presented to Cabinet for approval on 21 June 2016, signed by the Chief Executive and the Leader of the Council and then incorporated into the council's Statement of Accounts for 2015/16.

---

**REPORT AUTHOR:** Ann Charlton, Chair of Governance Panel

**CONTACT DETAILS:** Tel: 020 8541 9001 or [ann.charlton@surreycc.gov.uk](mailto:ann.charlton@surreycc.gov.uk)

Sources/background papers: Governance panel minutes. Annual review of governance working papers. Code of Corporate Governance. CIPFA/SOLACE framework *Delivering Good Governance in Local Government*. 2014/15 AGS. Audit and Governance Committee papers.

---

This page is intentionally left blank