

SURREY COUNTY COUNCIL

CABINET

DATE: 21 JUNE 2016

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 2015/16



SUMMARY OF ISSUE:

The Annual Governance Statement provides a comprehensive assessment of the council's governance arrangements. Once signed by the Leader of the Council and the Chief Executive, the Annual Governance Statement is incorporated in the Statement of Accounts.

RECOMMENDATIONS:

It is recommended that:

1. the 2015/16 Annual Governance Statement (Annex A) is approved and signed by the Leader of the Council and the Chief Executive for inclusion in the Statement of Accounts; and
2. the Audit and Governance Committee continue to monitor the governance environment and report to the Cabinet, Cabinet Member or Scrutiny Board as appropriate.

REASON FOR RECOMMENDATIONS:

There is a statutory duty to annually review and report on governance through an Annual Governance Statement. The identification of areas for focus and continuous improvement ensures high standards of governance.

INTRODUCTION:

1. Surrey County Council's Governance Strategy and Code of Corporate Governance describe the 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, Chief Internal Auditor, senior representative from Strategy and Performance, Risk and Governance Manager), which has responsibility for the development and maintenance of the governance environment and the production of the Annual Governance Statement.

3. The annual review of governance has provided a satisfactory level of assurance on the governance arrangements for the financial year ending 31 March 2016.

ANNUAL GOVERNANCE STATEMENT 2015/16:

4. The Annual Governance Statement (attached at Annex A) has two 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)
 - Focus for 2016/17 – page 9 (outlines areas that the council will focus on during the year ahead to ensure continued good governance).

CONSULTATION:

5. The Statutory Responsibilities Network, Chief Executive and the Leader of the Council have been consulted and their comments are incorporated into the Annual Governance Statement.
6. The Audit and Governance Committee considered the Annual Governance Statement at its meeting on 26 May 2016. The Leader of the Council and the Deputy Chief Executive introduced the Annual Governance Statement and commended it to the Committee. During the discussion some minor changes were agreed.
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 Annual Governance Statement; and
 - ii. That the Committee COMMENDS the draft Annual Governance Statement to the Cabinet, subject to additional amendments, for publication with the Council's Statement of Accounts.

RISK MANAGEMENT AND IMPLICATIONS:

8. Strong governance arrangements support the council in the effective delivery of services, the achievement of objectives and enhance the 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. 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 Annual Governance Statement is a requirement of the Accounts and Audit Regulations 2015 and forms part of the Statement of Accounts. The Monitoring Officer is chair of the Governance Panel.

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 Annual Governance Statement will be signed by the Leader of the Council and the Chief Executive and incorporated into the council's 2015/16 Statement of Accounts.

Contact Officer:

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Consulted:

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

Annexes:

Annex A – Annual Governance Statement 2015/16.

Sources/background papers:

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

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