

**SURREY COUNTY COUNCIL****CABINET****DATE: 17 JULY 2018****REPORT OF: DAVID HODGE, LEADER OF THE COUNCIL****LEAD OFFICER: KEVIN KILBURN, DEPUTY CHIEF FINANCE OFFICER****SUBJECT: ANNUAL GOVERNANCE STATEMENT 2017/18****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 2017/18 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 Select Committee 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 (Head of Legal [Chair], senior representatives from Finance, HR, Internal Audit and 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.

### **ANNUAL GOVERNANCE STATEMENT 2017/18:**

3. The Annual Governance Statement (attached at Annex A) has two main sections:
  - The governance environment – pages 3 to 7 (summarises the council's key governance policies, procedures and arrangements; and includes the overall opinion of the Chief Internal Auditor)
  - Focus for 2018/19 – pages 8 and 9 (outlines areas that the council will focus on during the year ahead to ensure effective governance).

### **CONSULTATION:**

4. The Corporate Leadership Team, Chief Executive and the Leader of the Council have been consulted and their comments are incorporated into the Annual Governance Statement.
5. The Audit and Governance Committee considered the draft Annual Governance Statement at its meeting on 24 May 2018.

### **RISK MANAGEMENT AND IMPLICATIONS:**

6. Strong governance arrangements support the council in the effective delivery of services, the achievement of objectives and enhances the council's ability to mitigate risk.

### **Financial and Value for Money Implications**

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

### **Section 151 Officer Commentary**

8. The Section 151 Officer 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**

9. 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**

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

**WHAT HAPPENS NEXT:**

11. The Annual Governance Statement will be signed by the Leader of the Council and the Chief Executive and incorporated into the council's 2017/18 Statement of Accounts.

**Contact Officer:**

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**Consulted:**

Governance Panel, Corporate Leadership Team, Chief Executive, Audit and Governance Committee, Leader of the Council.

**Annexes:**

Annex A – Annual Governance Statement 2017/18.

**Sources/background papers:**

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

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