



**Report to: Audit and Governance Committee, 29<sup>th</sup> July 2019**

**Report of: Deputy Director - Governance**

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**Subject: ANNUAL GOVERNANCE STATEMENT 2018/19 AND LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL CORPORATE GOVERNANCE ACTION PLAN**

**1. Recommendation**

- 1.1 That the Committee approves the Annual Governance Statement 2018/19 at Appendix 1 for sign off by the Leader of the Council and the Managing Director for inclusion in the Annual Statement of Accounts.**
- 1.2 That the Committee approves the revised Local Code of Corporate Governance at Appendix 2.**
- 1.3 That the Committee approves the Corporate Governance Action Plan 2019/20 at Appendix 3 and notes that progress will be reported to each meeting of the Committee during the year.**

**2. Annual Governance Statement**

- 2.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging these responsibilities, the Council must ensure that there is good governance and a sound system of internal control in place, which facilitate the effective exercise of the Council's functions and which include arrangements for the management of risk.
- 2.2 The Council's governance arrangements have been reviewed and an Annual Governance Statement (AGS) has been drafted and is attached to this report at Appendix 1.
- 2.3 The AGS is a document which provides the Council and its stakeholders with:
  - Information about the arrangements in place for good governance and the robustness of those arrangements, and
  - An assurance about the degree of compliance and the need for improvement in governance arrangements.
- 2.4 The overall picture demonstrates continued progress and a sustained focus on improving the Council's governance arrangements. The Council's ongoing improvement programmes are referenced in the AGS at section 5. In addition, from this year onwards the AGS will be supported by a corporate governance action plan, as described in section 4.

- 2.5 The draft AGS was published with the draft Statement of Accounts on 31 May 2019. Once approved, the AGS will be signed by the Leader of the Council and the Managing Director (Head of Paid Service) on behalf of the Council. The agreed statement will accompany the Audited Statement of Accounts which is the subject of a separate item on this Agenda.

### **3. Local Code of Corporate Governance**

- 3.1 The Committee received a report at its March meeting relating to the proposed revision of the Council's Local Code of Corporate Governance. Since the Council's existing Code was adopted, a new CIPFA Good Governance Framework has been published which sets out seven principles of good corporate governance.
- 3.2 The Council's Local Code of Corporate Governance has now been reviewed to bring it in line with the new framework and the seven principles and also to reflect the transition to the committee model of governance.
- 3.3 The revised Code is attached at Appendix 2. Although the evidence base for the content is substantially the same as the previous version, it clearly links each of the seven CIPFA principles across to the Council's activities and governance arrangements.
- 3.4 The Code will be reviewed at least annually to respond to improvements and changes in the Council's corporate governance arrangements. In future years the revised Code and associated annual action plan (see below) will form part of the reporting of the Annual Governance Statement.

### **4. Corporate Governance Action Plan**

- 4.1 The Committee received a report at its March meeting relating to the proposed adoption of a rolling annual action plan to deliver specific corporate governance improvements, which can be monitored by the Committee. This is intended to be complementary to the mid year review of the Annual Governance Statement and the work going on across the Council's committee system to deliver a wide range of improvements in governance and service delivery as well as complementary to the work of the internal and external audit service.
- 4.2 The role of the Committee in relation to this annual action plan will be to seek assurance from officers and the responsible governance oversight bodies that specific and measurable corporate governance improvements are being delivered as planned.
- 4.2 The proposed first annual action plan is attached at Appendix 3. As a starting position, one specific area of improvement has been identified against each of the seven principles, drawn from actions previously identified by the Corporate Governance Board or the Monitoring Officer, or in the AGS itself. It should be noted that the focus on the action plan is Council-wide corporate governance activities as opposed to service level delivery to customers, the latter being addressed through performance reporting and service improvement plans which report through Corporate Leadership Team to the relevant Policy and Regulatory Committees.
- 4.3 Progress against the action plan will be monitored by the Corporate Governance Board and reported to the Committee by the Monitoring Officer at each meeting.

4.4 The Committee may choose to add further actions to this rolling plan in consultation with the Monitoring Officer at any point in the municipal year and the whole plan will be subject to a refresh each July.

## **5. Implications**

### 5.1 Financial and Budgetary Implications

None directly arising from this report.

### 5.2 Legal and Governance Implications

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control.

### 5.3 Risk Implications

Maintaining high standards of governance will help to protect the Council's reputation and its ability to deliver corporate and service priorities.

### 5.4 Corporate/Policy Implications

The Council operates through a governance framework which brings together legislative requirements, governance principles and management processes. This framework defines the principles which underpin the Council's governance.

### 5.5 Equality Implications

None directly arising from this report.

### 5.6 Human Resources Implications

None directly arising from this report.

### 5.7 Health and Safety Implications

None directly arising from this report.

**Ward(s):** All  
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**Background Papers:** None

**Appendix1- Annual Governance Statement 2018/19**

**Appendix 2- Local Code of Corporate Governance**

**Appendix 3- Corporate Governance Action Plan 2019/20**