

# DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DIRECTOR OF RESOURCES	AUDIT AND STANDARDS COMMITTEE	25 JUNE 2015	4

## ANNUAL GOVERNANCE STATEMENT

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

The report presents the Annual Governance Statement prepared under the CIPFA/SOLACE framework the local code of corporate governance for approval.

### RECOMMENDATION

To approve the Annual Governance Statement for signature by the Chairman.

### CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment ( <b>Place</b> )		To Encourage Cohesive Communities ( <b>People</b> )	
To Promote a Thriving Economy ( <b>Prosperity</b> )		To Meet Expectations of our Customers ( <b>Performance</b> )	√

### SUMMARY OF PREVIOUS DECISIONS

There have been no previous decisions regarding this report.

### REPORT

1. A sound system of corporate governance underpins the achievement of all the Council's corporate objectives.
2. The Council has adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how Fylde Borough Council has complied with the code and shows how the effectiveness of governance arrangements have been monitored during the year.
3. The preparation and publication of an annual governance statement is necessary to comply with Regulation 4(3) of the Accounts and Audit Regulations 2011, which requires authorities to prepare a statement of internal control in accordance with "proper practices". The

CIPFA/SOLACE guidance identifies the production of an annual governance statement in accordance with the guidance as “proper practices”.

### **Summary of the local code**

4. According to the CIPFA/SOLACE guidance, “governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities”.
5. The council’s code adopts the following six core principles from the CIPFA/SOLACE guidance which underpin the council’s system of governance
  - Focusing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area
  - Members and officers working together to achieve a common purpose with clearly defined functions and roles
  - Promoting the values of the authority and demonstrating the values of good governance through behaviour
  - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
  - Developing the capacity and capability of members to be effective and ensuring that officers – including the statutory officers - also have the capability and capacity to deliver effectively
  - Engaging with local people and other stakeholders to ensure robust local public accountability.
6. The code requires the Council to:
  - consider the extent to which it complies with the above six core principles and requirements of good governance set out in the Framework;
  - identify systems, processes and documentation that provide evidence of compliance;
  - identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified;
  - identify the issues that have not been addressed adequately in the authority and consider how they should be addressed;
  - identify the individuals who would be responsible for undertaking the actions required and plan accordingly.
7. The Local Code describes the arrangements that have been or are being established within the Council to comply with the requirements and these are summarised below.

### **Annual Governance Statement**

8. The local code identifies a number of core principles that good governance comprises. A summary of this is attached as an appendix for members’ information. The Corporate Governance Group, comprising the Monitoring Officer, Section 151 Officer, Head of Internal Audit and Head of Governance, has conducted a detailed self-assessment of the council’s governance against this checklist. A further addendum to the checklist was issued in 2012 to keep the framework current. These additional tests have also been addressed.
9. The council must publish the results of this self-assessment, including any recommended areas for improvement in the forthcoming year, as part of its Annual Governance Statement alongside the annual accounts.

10. The governance statement is attached to this report and is presented for approval by the committee. It will, if approved, be signed by the council leader and the chief executive.
11. The Corporate Governance Group will draw up an action plan for future approval by the committee to meet the issues identified in the governance statement.

#### **2014 Annual Governance Statement**

12. There were four actions arising in the 2014 Annual Governance Statement:
  - a. Refresh business continuity arrangements
  - b. Refresh IT disaster recovery plan
  - c. Review approach to project management
  - d. Prepare for change in governance arrangements
13. Actions b, c and d have all been completed, in terms of the refresh of the business continuity arrangements good progress has been made.
14. The business continuity plan will be completed by the end of July 2015, with testing taking place in the autumn.

<b>IMPLICATIONS</b>	
Finance	The Code of Corporate Governance is a key component of the council's commitment to sound financial systems and practices. The Annual Governance Statement is an important requirement within the Code.
Legal	The preparation of a code of governance and an annual governance statement complying with the CIPFA/SOLACE guidance is effectively a legal requirement under the Accounts and Audit Regulations 2011.
Community Safety	None.
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	Good risk management is crucial to proper corporate governance, as the code and the CIPFA/SOLACE guidance make clear.

<b>LEAD AUTHOR</b>	<b>TEL</b>	<b>DATE</b>	<b>DOC ID</b>
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<b>LIST OF BACKGROUND PAPERS</b>		
Name of document	Date	Where available for inspection
Code of Corporate Governance	April 2008	Town Hall, St Annes
Directorate assurance statements	2014/15	Town Hall, St Annes

Attached documents

Appendix 1 - Annual Governance Statement

Appendix 2 – Delivering Good Governance in Local Government Core Principles