

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Annual Governance Statement: Significant Issues
Meeting/Date:	Corporate Governance Committee – 20 July 2016
Executive Portfolio:	Strategic Resources: Councillor J A Gray (Deputy Executive Leader)
Report by:	Internal Audit & Risk Manager
Ward(s) affected:	All Wards

Executive Summary

The Annual Governance Statement (AGS) is required to include details of any significant governance issues that the Council is aware of.

The former Corporate Governance Panel considered an issue to be significant if it:

- seriously prejudiced or prevented the achievement of the Corporate Plan themes and aims;
- resulted in the need to seek additional funding or the significant diversion of resources;
- led to a material impact on the financial statements;
- attracted or have the potential to attract significant public interest or have had an impact on the reputation of the Council;
- resulted in formal action being undertaken by the Head of Resources or the Monitoring Officer.
- had been identified by the External Auditor or the Committee as being significant;
- had been reported by the Internal Audit & Risk Manager as significant in their annual internal audit opinion;
- resulted in disclosures of serious incidents relating to information governance, including data loss or confidentiality breach;
- put a major programme or project at risk.

The Committee is asked to consider what issues they consider to be significant and require to be identified within the 2015/16 AGS. The AGS will be presented to the Committee at its 14 September meeting for approval and so allow the statutory deadline for publication – 30 September – to be met.

The Committee at its June meeting considered that the need to improve debt management should be an issue for inclusion in the AGS.

Corporate Management Team (CMT) in considering this matter felt that there was one further issue that was deemed to be significant - the continued development of effective governance and reporting arrangements for shared services.

Recommendation

It is recommended that the Committee:

1. Consider the report and approve the significant governance issues as detailed at paragraph 3.1 and 3.2 of the report; and
2. Determine if there are any other issues that warrant inclusion in the Annual Governance Statement.

1. PURPOSE OF THE REPORT

- 1.1 This report sets out the significant issues identified for inclusion in the 2015/16 Annual Governance Statement (AGS).

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Accounts and Audit Regulations 2015 require the Council to conduct a review of the effectiveness of its system of internal control and prepare an AGS each year. The Regulations also require the AGS to be approved by the Committee prior to its approval of the statement of accounts, the statutory deadline for which is the 30 September.
- 2.2 The Committee is being asked to consider those issues that it feels are significant enough to warrant inclusion in the AGS, so ensuring that there is no delay to its approval when presented to the Committee in September.

3. ANALYSIS

- 3.1 The Committee agreed at its June meeting that the need to improve debt management should be an issued for inclusion in the AGS.
- 3.2 Corporate Management Team (CMT) have also considered the Council's overall governance systems, structures and partnerships and are of the opinion that the following issue should be specifically highlighted in the AGS:
1. The continued development of effective governance and reporting arrangements for shared services.

Shared Services

The Council expects the current shared services (IT, Legal and Building Control) to deliver both financial savings and improved performance. Whilst governance structures for shared services have been agreed with Cambridge City Council and South Cambridgeshire District Council, business plans which set out the key priorities, objectives, activities and measures of success for each service were only approved by the Cabinet on 16 June. It is important that the shared services delivery against their business plans. Reporting and oversight of performance is still in its infancy and needs to be both robust and regularly undertaken and reported through to the Council. The failure of a shared service would be of significant impact.

4. RISKS

- 4.1 The AGS is required to be approved by the Committee by the 30 September 2016. Non approval of the AGS at the 14 September meeting will also mean that the 2015/16 statement of accounts cannot be approved due to the requirements of the Accounts and

Audit Regulations 2015. An additional meeting of the Committee will be required to be held by the 30 September.

- 4.2 This risk will be mitigated by circulating a copy of the draft AGS to the Committee for review and comment. The draft AGS will include the significant governance issues agreed by Committee and any additional issues that are identified between today's meeting and the September meeting. The final version of the AGS will then be prepared and presented to the Committee for approval in September.

5. LINK TO CORPORATE PLAN

- 5.1 The Councils governance arrangements underpin the delivery of the Corporate Plan by ensuring good management, performance, financial stewardship, public engagement and ultimately the outcomes for local people and service users. The AGS details how the governance arrangements operate in practice.

6. LEGAL IMPLICATIONS

- 6.1 Whilst the AGS has to be approved by the 30 September, the legal implications from non-compliance are considered to be low. The external auditor would refer to the matter in their annual audit letter which may have an effect upon the Council's reputation.

7. RESOURCE IMPLICATIONS

- 7.1 There are no resource implications arising from this report.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 Committee are being asked to approve significant governance issues for inclusion in the 2015/16 AGS. This will allow the AGS to be drafted and approved at their September meeting without further change or amendment.

BACKGROUND PAPERS

Internal Audit annual report 2015/16.

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