

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE - 6 DECEMBER 2017

Title of report	PROGRESS MADE IN RESPECT OF IMPROVEMENTS IDENTIFIED THROUGH THE REVIEW OF THE ANNUAL GOVERNANCE STATEMENT
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Chief Executive 01530 454500 bev.smith@nwleicestershire.gov.uk Financial Planning Manager/Deputy S151 Officer 01530 454707 tracy.ashe@nwleicestershire.gov.uk
Purpose of report	To update members in respect of improvements identified through the annual review of the Annual Governance Statement
Reason for Decision	To ensure members of the Committee are aware of the progress of improvements.
Council Priorities	Value for Money.
Implications:	
Financial/Staff	None.
Link to relevant CAT	None.
Risk Management	Not required.
Equalities Impact Assessment	Not required.
Human Rights	None identified.
Transformational Government	Not applicable.
Consultees	None
Background papers	None.
Recommendations	THAT MEMBERS NOTE THE CONTENTS OF THE REPORT

1.0 BACKGROUND

- 1.1 An Annual Governance Statement (AGS) is a requisite part of the annual review of corporate governance. Good practice dictates that an AGS is published alongside the statement of accounts, but is considered in its own right.
- 1.2 The Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) issue annually joint guidance on corporate governance, which encourages Local Authorities in going beyond consideration of the internal control environment to look at wider arrangements for supporting sound corporate governance.
- 1.3 The CIPFA/SOLACE guidance outlines seven core principles for good governance, with a number of supporting principles. These seven principles are:
 - A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - B: Ensuring openness and comprehensive stakeholder engagement
 - C: Defining outcomes in terms of sustainable economic, social, and environmental benefits
 - D: Determining the interventions necessary to optimise the
 - E: Developing the entity's capacity, including the capability of its leadership and the individuals within it achievement of the intended outcomes
 - F: Managing risks and performance through robust internal control and strong public financial management
 - G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

2.0 REVIEW OF EFFECTIVENESS

- 2.1 A new approach in developing the AGS was taken for the 2016/17 year which included a line by line assessment of the Council's governance framework against the CIPFA/SOLACE guidance to arrive at an assessment score of either:
 - Good - Good governance exists and there are no improvements required
 - Fair – Satisfactory governance exists about improvements are required to meet good governance
 - Poor – Significant issues with governance exists which need addressing
- 2.2 There were no significant issues identified for 2016/17.
- 2.3 A total of 17 improvement areas identified, where it was recognised that the Council could strengthen its governance arrangements.
- 2.4 Members reviewed and approved the Annual Governance Statement at its meeting on 27 September 2017. At this meeting it was also agreed that progress against improvement areas will be reported to the Audit and Governance Committee at regular intervals and the AGS of future years will report on the progress/completion of improvements areas or significant issues from the prior period.

3.0 PROGRESS MADE IN RESPECT OF IMPROVEMENT AREAS

- 3.1 Of the 17 improvements identified, 2 are complete, 8 underway with the remaining 7 to be included within team business plans for 2018/19.
- 3.2 Full details can be found in Appendix 1.