

**To the Chair and Members of the  
AUDIT COMMITTEE**

**2014/15 ANNUAL GOVERNANCE STATEMENT**

**EXECUTIVE SUMMARY**

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 controls in place, which facilitate the effective exercise of the Council's functions.
2. An annual review of governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS) are statutory requirements by virtue of the Accounts and Audit Regulations (England) 2011. The AGS must demonstrably be a corporate document, corporately owned. The Council's governance arrangements in place during 2014/15 have been reviewed and an AGS has been drafted and is attached to this report.
3. The Accounts and Audit Regulations require proper practice to be followed in the production and approval of the Statement. 'Proper practice' requires the Council Leader (in Doncaster's case, the Mayor) and the Chief Executive to sign the statement to confirm their satisfaction with the governance framework and the procedures for reviewing it, and their acceptance of the significant issues highlighted in the statement, along with actions for tackling the issues raised. This should be done prior to the publication of the Statement of Accounts in September 2015.
4. This report contains key information for those charged with governance responsibilities. The Annual Governance Statement 2014/15 demonstrates how Doncaster Council delivers against the six core principles from the Good Governance Standard for Public Services; sets out the Council's approach to risk management; provides key areas of improvement from 2013/14 that have been completed; identifies new issues for improvement. Appendix A shows an update on key improvement areas identified during 2013/14 that remain an issue in 2014/15. Appendix B provides a list of current strategic risks.

**BACKGROUND**

5. Governance arrangements at Doncaster council have improved each year since 2010 and are now more robust than ever before. The Corporate Governance Inspection in 2010 found that the Council was not properly run and was failing in

its legal obligation to make arrangements to secure continuous improvement. At that time it did not have the capacity or capability to make the necessary improvements in governance. Since then, running the organisation well has been a constant focus of attention and has been a key factor in our strategic planning. There have been significant improvements in a wide range of areas and this has been acknowledged nationally, for example, in the Local Government Association Peer Review and the letter from the Secretary of State for Local Government which ended corporate intervention.

6. Clearly there has been a transformation in the overall management of the organisation and there are a number of important areas that are worth highlighting in the context of the 2014/15 Annual Governance Statement. They are:
  - Improved quality, accuracy and presentation of the Statement of Accounts
  - Improved risk management processes and practice
  - Better training and development of Elected Members and staff
  - Improved relationships throughout the Council and across the partnership
  - Clearer understanding and buy-in to strategic priorities
  - A transformed equality and inclusion agenda
  - Wider and understanding of key policies and procedures
  - Improved information technology and systems
  - Better procurement
  - Improved HR and payroll processes
  - More efficient and effective performance management
7. The process for creating the Annual Governance Statement itself is also now much more robust and streamlined. It is centrally managed and has much better engagement from directorate staff, building greater confidence into the procedure.
8. Although we are proud of the progress we have made, we are not yet satisfied. Therefore, good governance and value for money is still at the heart of our corporate plan, as we work towards achieving our aim of moving from good to great.

## **EXEMPT REPORT**

9. Not Applicable

## **RECOMMENDATIONS**

10. The Audit Committee members are asked to:
  - a) Note and comment on the report; and
  - b) Note the Annual Governance Statement has been approved by the Directors and the Executive Board. The Mayor and the Chief Executive will be asked to sign the Statement prior to its publication along with the Statement of Accounts in September 2015.

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

11. By ensuring that there is good governance and a sound system of internal controls in place the Council will be able to provide the citizens of Doncaster with services that are provided in accordance with the law and proper standards. It will also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively

## OPTIONS CONSIDERED

11. Not Applicable

## REASONS FOR RECOMMENDED OPTION

12. Not Applicable

## IMPACT ON THE COUNCIL'S KEY PRIORITIES

- 12.

Priority	Implications
We will support a strong economy where businesses can locate, grow and employ local people.	
We will help people to live safe, healthy, active and independent lives.	
We will make Doncaster a better place to live, with cleaner, more sustainable communities.	
We will support all families to thrive.	
We will deliver modern value for money services.	
We will provide strong leadership and governance, working in partnership.	The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place.

## RISKS AND ASSUMPTIONS

13. The production of an Annual Governance Statement is a statutory requirement. The key risk is that failure to produce a statement to meet this requirement would result in an adverse audit report by the Council's external auditor and damage the Council's reputation. The original risk profile is 16 but by producing the Annual Governance Statement and addressing key corporate issues the risk profile is reduced to 8.

## LEGAL IMPLICATIONS

14. The production and publication of an Annual Governance Statement is a statutory

requirement.

## **FINANCIAL IMPLICATIONS**

15. There are no direct financial implications resulting from this report

## **HUMAN RESOURCES IMPLICATIONS**

16. There are no direct human resources implications resulting from this report

## **TECHNOLOGY IMPLICATIONS**

17. There are no direct technology implications resulting from this report.

## **EQUALITY IMPLICATIONS**

18. The Council has a legal obligation under the Public Sector Equality Duty to consider how different people will be affected by their activity and service. Equalities and Due Regard issues will be considered as part of the individual policies and procedures that are contained within the Annual Governance Statement and as a result a Due Regard statement has not been completed for this process.

## **CONSULTATION**

19.

This report has significant implications in terms of the following:

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

## **BACKGROUND PAPERS**

20. Director returns on internal controls and previous year actions  
Corporate Governance Inspection

## **REPORT AUTHOR & CONTRIBUTORS**

Sandra Ranns, Policy & Performance Officer  
01302 737083      sandra.ranns@doncaster.gov.uk

Sennette Wroot, Policy & Performance Manager  
01302 862533      sennette.wroot@doncaster.gov.uk

Howard Monk, Head of Service Improvement & Policy (Corporate)  
01302 736911      howard.monk@doncaster.gov.uk

**Simon Wiles**  
**Director of Finance and Corporate Services**

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