

To the Chair and Members of the AUDIT COMMITTEE
2015-16 ANNUAL GOVERNANCE STATEMENT

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Ros Jones	N/a	No

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) 2015. The AGS must demonstrably be a corporate document, corporately owned. An Annual Governance Statement has been drafted and is attached as Appendix A. There has been 2 significant weaknesses reported in 2015-16, detailed on page 6 of the statement.
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 2016.

EXEMPT REPORT

4. Not Applicable

RECOMMENDATIONS

5. The Audit Committee members are asked to:
 - Approve the attached Annual Governance Statement and;
 - note 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 2016.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. 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

BACKGROUND

7. Governance arrangements at Doncaster Council have improved each year and are now more robust than ever before. Our Annual Governance Statement has adopted a code of corporate governance, which is consistent with the principles of Chartered Institute of Public Finance and Accountancy (CIPFA)/ SOLACE Framework. Delivering Good Governance in local Government. The process for creating the Annual Governance Statement is more robust and streamlined. It is centrally managed and has much better engagement from directorate staff, building greater confidence into the procedure.
8. The draft Annual Governance Statement was presented to Audit Committee in June 2016 for comments. The draft report was awaiting an update regarding the Childrens Trust Improvement action which has now been provided and is contained with the final Annual Governance Statement (Page 7)
9. The final 2015-16 Annual Governance Statement:
 - Highlights key areas of improvement from 2014-15 that have been completed and have been effectively managed to the extent that they were no longer significant in 2015-16. (Page 5)
 - Identifies new significant issues arising from the 2015-16 review of effectiveness of the corporate governance arrangements (Page 6)
 - Provides an update on the key areas identified during 2014-15 that remain an issue in 2015-16 (Appendix A, Page 7).

OPTIONS CONSIDERED

10. Not Applicable

REASONS FOR RECOMMENDED OPTION

11. Not Applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

- 12.

	Outcomes	Implications
	Working with our partners we will provide strong leadership and governance.	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. There is consultation with Directors and seniors managers throughout this process. Nominated directorates leads work with the corporate team and their directorate senior managers to complete the assessment which supports the production of the final Annual Governance Statement.

BACKGROUND PAPERS

20. CIPFA/ SOLACE delivering good governance in Local Government Framework
Accounts and Audit Regulations (England) 2015.
2014-15 Annual Governance Statement
Annual Report of the Head of Internal Audit 2015-16

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