

**Title of meeting:** Governance and Audit and Standards Committee

**Date of meeting:** 30<sup>th</sup> June 2017

**Subject:** Draft Annual Governance Statement

**Report by:** Director of HR, Legal and Performance

**Wards affected:** n/a

**Key decision:** No

**Full Council decision:** No

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## **1. Purpose of report**

1.1 The report seeks comment from the Governance and Audit and Standards Committee for the council's draft Annual Governance Statement (AGS) for 2016/17 and for the associated framework for monitoring progress.

## **2. Recommendations**

2.1 The Governance and Audit and Standards Committee are asked to:

- 1) Note the progress and recommendations made against the 2016/17 annual governance issues as set out in Appendix 1
- 2) Comment on the draft Annual Governance Statement 2016/17 (Appendix 2)
- 3) Note the updated Local Code of Governance as set out in Appendix 3.

## **3. Background**

3.1 The authority has a duty to produce and publish an Annual Governance Statement (AGS). This sets out how Portsmouth City Council has complied with the Local Code of Governance, and how the authority meets the requirements of Regulation 4 (3) of the Accounts and Audit (England) Regulations 2011.

3.2 The purpose of the AGS is to set out the systems and processes in place to ensure that Council business is conducted lawfully and in accordance with proper standards. Compliance helps ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It also acknowledges the Council's responsibility to secure continuous improvement in the way in which its functions are exercised by outlining significant governance issues facing the organisation, and setting out how these will be addressed.

3.3 It is a key role of the Governance and Audit committee to monitor governance issues across the authority and ensure they are performance managed. The

Governance and Audit and Standards Committee receive regular updates on the development of the Annual Governance Statement. Governance issues are also reviewed regularly by the Corporate Governance Group which is attended by the Chief Executive, Deputy Chief Executive, Director of HR, Legal and Performance, Director of Finance and IS and the Chief Internal Auditor.

- 3.4 The AGS reports against the six core principles of governance, originally adopted by the council in March 2010. Every year, a number of sources are analysed, including the Annual Audit Letter, in order to review the council's practices and highlight further governance issues where the authority may be exposed.

#### **4. Reasons for recommendations**

- 4.1 The draft 2016/17 Annual Governance Statement has been prepared according to the proper practice framework - Delivering Good Governance in Local Government issued jointly by SOLACE (Society of Local Authority Chief Executives and Senior Managers) and CIPFA (Chartered Institute of Public Finance and Accountancy) in 2007 (addendum issued in 2012).
- 4.2 Considerable progress has been made in addressing the governance issues identified in the 2015/16 AGS. However, it has been proposed that some of those issues roll over into the 2016/17 AGS to ensure that further work necessary is tracked. The mechanisms for continuing monitoring are set out in Appendix 2.

#### **5. Equality impact assessment**

- 5.1 An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

#### **6. Legal implications**

- 6.1 Legal considerations have been taken into account in the preparation of this report and where appropriate embodied within it.

#### **7. Director of Finance's comments**

- 7.1 There are no financial implications arising from the recommendations in this report.

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Signed by: Jon Bell, Director of HR, Legal and Performance

#### **Appendices:**

**Appendix 1 - Progress against issues identified in the 2015/16 Annual Governance Statement**

**Appendix 2 - Annual Governance Statement 2016/17**

**Appendix 3 - Local Code of Governance - updated June 2017**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by: