

15 June 2017

Agenda Item: 7

REPORT OF SERVICE DIRECTOR, FINANCE, PROCUREMENT & IMPROVEMENT

DRAFT LOCAL CODE OF CORPORATE GOVERNANCE AND DRAFT ANNUAL GOVERNANCE STATEMENT – 2016/17

Purpose of the Report

1. To inform Members of a proposed Local Code of Corporate Governance for Nottinghamshire County Council, the proposed Annual Governance Statement 2016/17 and to invite Members to consider and approve the Statement prior to it accompanying the Statement of Accounts 2016/17.

Information and Advice

2. The Accounts and Audit (England) Regulations 2011 require the Authority to review the effectiveness of its system of internal control and publish an annual governance statement, prepared in accordance with proper practices in relation to internal control.
3. Using guidance developed by the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives, an Annual Governance Statement has been drafted and is attached (**Appendix 2**). This guidance was updated for the 2016/17 financial year, and the opportunity has been taken to prepare a separate Local Code of Corporate Governance (draft attached as **Appendix 1**). Previously, the practice at this Council has been for the Annual Governance Statement to incorporate the key features of the Council's governance arrangements. In accordance with best practice, it is now proposed to set out the Code of Corporate Governance as a separate document, which may be posted on the Authority's website as a clear statement of the importance that this Council affords to governance issues. This then allows the Annual Governance Statement to become a more targeted document, focused on the assessment of how well the Code has been operating in practice during 2016/17.
4. The Annual Governance Statement has been drawn up on the basis of a range of evidence sources:
 - The outcomes of the quarterly governance meetings of the three statutory officers (Chief Executive, the Monitoring Officer and the Chief Financial Officer);
 - Assurance statements received from Corporate Directors and other key officers regarding the operation of the governance framework during 2016/17 in their areas of responsibility

- Other evidence supplied by relevant officers or obtained from the Council's website to support the assessment of specific aspects of the Code.

The draft Statement was discussed by the Corporate Leadership Team on 16th May 2017 and it has been endorsed by the Chief Executive, Monitoring Officer and Section 151 Officer.

5. As the Statement covers corporate governance and risk management issues, it needs to be referred to Full Council which will be done as part of the approval process for the Statement of Accounts 2016/17.

Other Options Considered

6. The requirement to publish an annual governance statement is set out in the Accounts and Audit Regulations 2011. No other options are available.

Reason for Recommendation

7. To set out how the Authority has met its' governance responsibilities for 2016/17.

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

- 1) That the Committee endorses the Code of Corporate Governance, the Annual Governance Statement 2016/17 and makes any comments or recommendations which it considers ought to be included in the statement which is required to be taken to the next appropriate Council meeting, to accompany the Statement of Accounts 2016/17.

Nigel Stevenson

Service Director – Finance, Procurement & Improvement

For any enquiries about this report please contact:

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Constitutional Comments (30/5/17)

Governance and Ethics Committee is the appropriate body to consider the content of this report

Financial Comments (SES 23/5/17)

There are no specific financial implications arising from this report.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972:

None

Electoral Division(s) and Member(s) Affected

All